

R&D

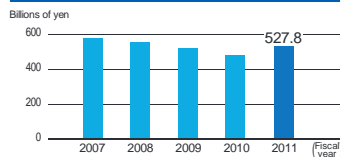
The Company's R&D topics are wide in scope, ranging from digital network software to device and environmental technologies. Panasonic has established R&D sites at optimal locations globally so that it can make the most of engineers and technologies in Japan, North America, Europe, China and the ASEAN region. In recent years, the Company has placed particular emphasis on the development of products that are more closely tailored to the local food, clothing and housing environments of emerging countries.

In addition to conducting mainstay product R&D, Panasonic stepped up its development of environmental- and energy-related technologies in new growth business fields in fiscal 2011. The Company was particularly active in pursuing energy solution-related themes encompassing energy creation, storage, saving and management. Moreover, the Innovation Promotion Center collaborated closely with related divisions within the Panasonic Group working diligently to increase the pace of new business creation.

Panasonic incurred ¥527.8 billion in R&D expenditures in fiscal 2011, which amounted to 6.1% of total sales.

In fiscal 2012, every effort will be made to harness additional synergy effects following the acquisition of all shares of PEW and SANYO. Panasonic will accelerate environmental- and energy-related technology R&D together with new business creation.

R&D Expenditures



In

Utilizing Battery Management Systems to Maximize the Performance of Battery Systems for Power Storage that Boast the World's Largest Capacity*¹

Consistent with efforts to realize a low-carbon society, the Panasonic Group established the Kasai Green Energy Park, a massive testing site located within Company's Kasai Plant, a manufacturing facility for batteries used in eco-cars, in Hyogo Prefecture. Employing photovoltaic modules, lithium-ion batteries and energy-saving systems as well as the energy management technologies that control these systems, the Group is pursuing the large-scale testing and verification of energy creation, storage and saving technologies.

· Energy Management

Energy management entails the efficient control of electricity generated by photovoltaic modules and late-night power kept in storage batteries. In addition, a portion of the DC electricity generated by photovoltaic modules is used in such direct current devices as LED lighting and PCs without conversion to AC helping to avoid conversion loss.

· Lithium-ion Mega Battery System

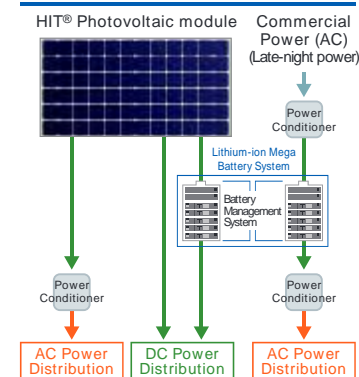
The Group has introduced a large-scale storage system by installing approximately 1,000 units of

standard battery systems for power storage use. This standard battery system contains 312 cylindrical lithium-ion battery cells (18 mm in diameter and 65 mm in length, often used in laptop PCs) for an aggregate total of 310,000 cells. This system offers the world's largest capacity of approximately 1,500 kWh, equivalent to the daily electricity consumption needs of around 150 households. Compared with lead-acid batteries of the same dimension, the lithium-ion batteries can store approximately five times the volume of energy. In this regard, this system is also distinguished by its efficient use of space.

· Battery Management System

The battery management system optimally controls the charge and discharge of electricity by accurately detecting the conditions of numerous storage batteries based on electric voltage, current and temperature while maximizing the performance of lithium-ion mega battery systems.

Diagrammatic Representation of the Energy Management Mechanism



Initiative 2

LED Light Bulbs Realizing the Industry's Widest*² Light Distribution Angle of Approximately 300 Degrees

Signs of a sharp pickup in the use of LED light bulbs particularly in Japan are emerging due mainly to their high energy efficiency and long life.

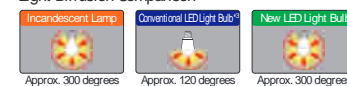
Compared with incandescent bulbs, however, conventional LED light bulbs*³ deliver narrower light dispersion, raising questions regarding illumination or the sufficient lack thereof. In response to this concern, Panasonic developed a new LED light bulb that provides the industry's widest*² light distribution angle of approximately 300 degrees utilizing proprietary optical simulation and structural design technologies. The new LED light bulb was released for commercial sale in March 2011.

In order to widen the angle of light distribution, LED packages are arranged in a circular pattern inside a large globe. Moreover, a double reflector structure is employed with the aim of optimizing shape and angle. In this manner, the new LED light

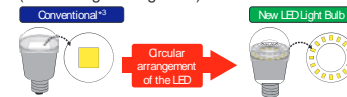
bulb delivers a brightness equivalent to a 40W incandescent lamp while realizing a wide light distribution angle.

In addition, the enhanced size of the globe portion has been offset by cutbacks in the size of the overall bulb. As a result, the size of the body portion has been reduced to around 60% of conventional products*³. With its compact size, issues arose regarding the impact of heat on circuit parts negatively affecting operating life. Panasonic again addressed this issue utilizing proprietary high heat dissipation technology resulting in an operating life of approximately 40,000 hours.

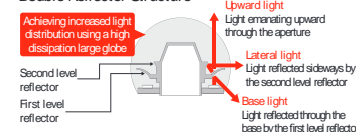
Light Diffusion Comparison



Internal Structure of LED Light Bulbs (LED Package Arrangement)



Double Reflector Structure



*¹ As of October 2010. For power storage battery systems that incorporate consumer-use lithium-ion batteries. Source: Panasonic.
*² As of January 26, 2011. The general E26 base LED light bulb. Source: Panasonic.
*³ Panasonic's LED light bulbs including the LDA7L-A1

Design Initiatives

Panasonic's global design development centers are committed to the enhancement of customer satisfaction worldwide. In addition to developing sophisticated, innovative designs that embody the Panasonic essence, every effort is made to satisfy customers from emerging to developed countries. While pursuing ecological design, the Company also embraces universal design principles to create more value for customers and ensure that the products are easy to use for a broader customer base.

Developing Sophisticated, Innovative Designs

Through their first-hand knowledge and exposure to the latest design and market trends in New York and London, designers in Japan, the U.S. and Europe are dedicated to creating sophisticated, innovative designs. In addition, Panasonic collaborates with world renowned design firms to create global designs aimed at driving the brand image worldwide.

Responding to Market Needs

By utilizing global design development centers in China and Southeast Asia, Panasonic diligently strives to deliver attractive and easy-to-use products in tune with local needs and aspirations in emerging markets. For developed countries, target users are clearly defined in addition to local needs. Characterized by their attention to detail and innovation, Panasonic products are receiving worldwide recognition.

Initiative 2

Globally Acclaimed Eco and Universal Design

Panasonic design is recognized worldwide for considering both the user and the environment.

Panasonic's multi-directional iron with double-pointed soleplate has received praise for its ease-of-use. By not having to switch hands to change direction, these irons help shorten ironing time and conserve energy. Energy-saving, long-life LED light bulbs have a smooth surface without the heat-dissipating grooves, making them easy to clean.

- 1 Double-pointed soleplate makes the iron easy to use and energy efficient.
- 2 LED light bulbs have received prestigious design awards in Germany, the U.S. and Japan. Packages that convey product attributes have also attracted significant acclaim.



Initiative 1

Leading the World in Sophisticated, Innovative Design

Working in collaboration with designers in Japan, the U.S., and Europe, Panasonic's ability to generate a constant stream of innovative concepts and stylish designs is receiving high acclaim worldwide. One Sheet of Glass design for 3D TVs highlights the essence of high-quality image and sound through a full glass front panel. With the utmost attention to detail, speakers were positioned to face forward to deliver uncompromised sound quality. Panasonic's pursuit of high-quality design in products such as camcorders, coffee makers and refrigerators have also won critical acclaim.

- 1 3D TV's sophisticated, innovative design
- 2 Popular camcorders specifically targeting female users
- 3 Espresso machines and coffee makers designed as Reliable Tools
- 4 Expressing luxury and premium value in refrigerators



Initiative 3

Design Development in Tune with Market Needs

Reflecting local customer aspirations and tastes, vividly-colored vacuum cleaners have become popular in China. Paring down the functionality to local needs, air conditioners designed in Malaysia became successful not only in Asia but also worldwide because of their simplicity. Digital cameras and cordless phones designed with clearly defined target users in mind were well received in developed countries.

- 1 Vividly colored vacuum cleaners popular in China
- 2 Simplified air conditioner from Malaysia becoming a worldwide success
- 3 Digital cameras and cordless telephones that successfully address the tastes of target users



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Intellectual Property

Panasonic takes full advantage of its intellectual property (IP) rights to both protect and secure the competitive advantage of its businesses and products. In this regard, we actively promote global-scale IP activities.

Intellectual Property Strategies

— Striving to Maximize Business and Product Value

In order to maximize business and product value, and to better ensure sustainable growth, Panasonic recognizes the critical need to efficiently secure global IP rights over those new technologies, services, brands, and designs that serve as the source of its value. This is particularly true for markets that are confronting increasingly intense

global competition. Coupled with the important nature of a domestic network, IP offices are maintained in China, the U.S., and Europe. Relying on local staff who work in tandem with their counterparts in Japan, Panasonic engages in activities that best reflect local conditions.

Considerable weight is placed on fostering IP personnel, who possess both management and specialist skills. IP staff are required to undergo OJT as well as internal and external multifaceted training. This training is by no means restricted to IP personnel and is tailored to encompass wide-ranging employee needs. Engineers are, for example, provided with IP know-how that has practical application to their daily tasks and duties. Senior executives undertake internal training to enhance their IP management skills. Furthermore, Panasonic maintains an IP rights database that allows engineers themselves to research prior art technologies at their own R&D workplaces. Panasonic strives to unify its R&D and IP activities.

Trademarks

Strengthening Countermeasures against Counterfeiting

Panasonic is active in its efforts to protect brand rights and prevent counterfeits in all countries in which it operates. The Company acquires the appropriate trademark right in a particular country after careful consideration of any discrepancies in that country's trademark system. The Company's basic "Panasonic" corporate brand trademark is registered in approximately 190 countries worldwide. In addition, trademarks for such product sub-brands as VIERA are held in most major global markets.

In recent years, Panasonic has been placing particular emphasis on countermeasures to prevent counterfeits. In this context, the Company established a designated team led mainly by local staff in China, and is implementing measures while collaborating with Chinese government agencies. In the event a counterfeit product is identified, the

appropriate report is lodged with the relevant enforcement authority. The Company then strongly pursues the seizure and disposal of all counterfeit products, the imposition of penalties and fines as well as the revocation of business licenses. Moreover, Panasonic coordinates closely with other companies and the Japanese government.

As of March 31, 2011, Panasonic held 5,143 trademarks in Japan and 13,517 trademarks overseas.

Corporate Brand

Panasonic

Sub-Brands (Examples)

Plasma and LCD TVs

VIERA

Digital cameras

LUMIX

Patent

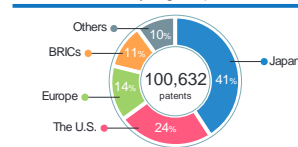
Ranked No. 1 in the World in International Patent Applications

In addition to the developed regions and countries of Europe and the U.S., Panasonic is stepping up its patent application activities in such strategically important emerging countries as China and India. As a part of its overall overseas strategy, the Company is also accelerating applications for patents in multiple countries simultaneously under the Patent Cooperation Treaty (PCT). Through these means, Panasonic is pursuing greater efficiency and quality in the acquisition of overseas patents.

As a measure of the Company's success in its endeavors, Panasonic was ranked first in the world for the second consecutive year in 2010 for international patent filings under PCT. The Company retained its high level of patent applications in most major markets both in and outside Japan.

As of March 31, 2011, Panasonic held 41,630 patents in Japan and 59,002 patents overseas maintaining its pre-eminent position in the world for intellectual property rights held.

Global Patents Held by Region* (As of March 31, 2011)



*The graph depicts the number of patents held by Panasonic and its principal subsidiaries (excluding SANYO, FEW and Panasonic Home).

Trends in International Patent Filing World Rankings under the Patent Cooperation Treaty (PCT)

Rank	2008	2009	2010
1	Huawei Technologies Co., Ltd. (China) 1,737	Panasonic Corporation (Japan) 1,891	Panasonic Corporation (Japan) 2,154
2	Panasonic Corporation (Japan) 1,729	Huawei Technologies Co., Ltd. (China) 1,847	ZTE Corporation (China) 1,863
3	Koninklijke Philips Electronics NV (the Netherlands) 1,551	Robert Bosch GmbH (Germany) 1,586	Qualcomm Inc. (the U.S.) 1,677

Design

From Products through Components to Packaging

Design is a core element in the sale and brand image of each product. Accordingly, Panasonic strives to secure and maintain design rights for all newly released products. The Company is also paying particular attention to securing component and package design patent rights.

Furthermore, Panasonic has assigned a design patent intellectual property right specialist to areas engaged directly in design development activities. This specialist is charged with the responsibility of examining the existence or otherwise of any competitor prior design patents on a daily basis, and

to ensure that the Company does not violate another company's design patent rights.

Reflecting business growth in such regions as Asia and the Middle East, the number of issues relating to the counterfeiting of designs has increased in recent years. With this in mind, related internal departments are coordinating to strengthen counterfeit countermeasures aimed at protecting the Company's rights in each country.

As of March 31, 2011, Panasonic held 6,672 design patent rights in Japan and 7,393 design rights overseas.

Counterfeit Countermeasures Undertaken to Protect Panasonic's Trademarks and Designs



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Corporate Governance Structure

* Prepared based on excerpts from the Company's Form 20-F.

Directors and Senior Management

The Articles of Incorporation of the Company provide that the number of Directors of the Company shall be three or more and that of Corporate Auditors shall be three or more. Directors and Corporate Auditors shall be elected at the general meeting of shareholders.

The Board of Directors has ultimate responsibility for administration of the Company's affairs and monitoring of the execution of business by Directors. Directors may, by resolution of the Board of Directors, appoint a Chairman of the Board of Directors, a Vice Chairman of the Board of Directors, a President and Director, and one or more Executive Vice Presidents and Directors, Senior Managing Directors and Managing Directors. The Chairman of the Board of Directors, Vice Chairman of the Board of Directors, President and Director, Executive Vice Presidents and Directors, and Senior Managing Directors are Representative Directors and severally represent the Company. A Japanese joint stock corporation with corporate auditors, such as Panasonic, is not obliged under the Company Law of Japan and related laws and ordinances (collectively, the "Company Law"), to have any outside directors on its board of directors.

However, Panasonic has two (2) outside Directors. An "outside director" is defined as a director of the company who does not engage or has not engaged in the execution of business of the company or its subsidiaries as a director of any of these corporations, and who does not serve or has not served as an executive officer, manager or in any other capacity as an employee of the company or its subsidiaries. Outside Directors directly or indirectly cooperate with the internal audit, audit by Corporate Auditors and external audit, receive reports from the Internal Auditing Group and conduct an effective monitoring through reports on financial results at meetings of the Board of Directors and through reviews of the basic policy regarding the development of internal control systems and other methods. The term of office of Directors shall, under the Articles of Incorporation of the Company, expire at the conclusion of the ordinary general meeting of shareholders with respect to the last business year ending within one year from their election.

Corporate Auditors of the Company are not required to be, and are not, certified public accountants. Corporate Auditors may not at the same time be Directors,

accounting counselors, executive officers, managers or any other capacity as employees of the Company or any of its subsidiaries. Under the Company Law, at least half of the Corporate Auditors shall be outside corporate auditors. An "outside corporate auditor" is defined as a corporate auditor of the company who has never been a director, accounting counselor, executive officer, manager or in any other capacity as an employee of the company or any of its subsidiaries. Outside Corporate Auditors directly or indirectly cooperate with the internal audit, audit by Corporate Auditors and accounting audit, receive reports from the Internal Auditing Group and conduct an effective monitoring through reports on financial results at meetings of the Board of Directors, through reviews of the basic policy regarding the development of internal control systems and through exchanges of opinions and information at meetings of the Board of Corporate Auditors and other methods. Each Corporate Auditor has the statutory duty to audit the non-consolidated and consolidated financial statements and business reports to be submitted by a Director to the general meeting of shareholders and, based on such audit and a report of an Accounting Auditor referred to below, to respectively

prepare his or her audit report. Each Corporate Auditor also has the statutory duty to supervise Directors' execution of their duties. The Corporate Auditors are required to attend meetings of the Board of Directors and express opinions, if necessary, at such meetings, but they are not entitled to vote. In addition, Corporate Auditors receive monthly reports regarding the status of the internal control system, the audit results, etc. from the Internal Audit Group or from other sections. Corporate Auditors may request the Internal Audit Group or the Accounting Auditor to conduct an investigation, if necessary. The terms of office shall expire at the conclusion of the ordinary general meeting of shareholders with respect to the last business year ending within four years from their election. However, they may serve any number of consecutive terms if re-elected.

Corporate Auditors constitute the Board of Corporate Auditors. The Board of Corporate Auditors has a statutory duty to, based on the reports prepared by respective Corporate Auditors, prepare and submit its audit report to Accounting Auditors and certain Directors designated to receive such report (if such Directors are not designated, the Directors who prepared the financial statements and the business report).

A Corporate Auditor may note his or her opinion in the audit report if his or her opinion expressed in his or her audit report is different from the opinion expressed in the audit report of the Board of Corporate Auditors. The Board of Corporate Auditors shall elect one or more full-time Corporate Auditors from among its members. The Board of Corporate Auditors is empowered to establish auditing policies, the manner of investigation of the status of the corporate affairs and assets of the Company, and any other matters relating to the execution of the duties of Corporate Auditors. However, the Board of Corporate Auditors may not prevent each Corporate Auditor from exercising his or her powers.

Pursuant to amendments to the regulations of the Japanese stock exchanges in fiscal 2010, the Company is required to have one or more "independent director(s)/corporate auditor(s)" which terms are defined under the relevant regulations of the Japanese stock exchanges as "outside directors" or "outside corporate auditors" (each of which terms is defined under the Company Law) who are unlikely to have any conflict of interests with shareholders of the Company. All five (5) outside directors and corporate auditors satisfy the requirements for the "independent director/corporate auditor"

under the regulations of the Japanese stock exchanges, respectively. The definition of the "independent director/corporate auditor" is different from that of the independent directors under the corporate governance standard of the New York Stock Exchange or under Rule 10A-3 under the U.S. Securities Exchange Act of 1934.

In addition to Corporate Auditors, an independent certified public accountant or an independent audit corporation must be appointed by general meetings of shareholders as Accounting Auditor of the Company. Such Accounting Auditor has the duties to audit the consolidated and non-consolidated financial statements proposed to be submitted by a Director at general meetings of shareholders and to report their opinion thereon to certain Corporate Auditors designated by the Board of Corporate Auditors to receive such report (if such Corporate Auditors are not designated, all Corporate Auditors) and certain Directors designated to receive such report (if such Directors are not designated, the Directors who prepared the financial statements). The consolidated financial statement is prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) and financial

information on a non-consolidated (a parent company alone) basis is in conformity with Japanese regulations.

Under the Company Law and the Articles of Incorporation of the Company, the Company may, by a resolution of the Board of Directors, exempt Directors or Corporate Auditors, acting in good faith and without significant negligence, from their liabilities owed to the Company arising in connection with their failure to perform their duties to the extent permitted by the Company Law. In addition, the Company has entered into liability limitation agreements with each of the outside Directors and outside Corporate Auditors, acting in good faith and without significant negligence, which limit the maximum amount of their liabilities owed to the Company arising in connection with their failure to perform their duties to the extent permitted by the Company Law.

The Company implemented in fiscal 2004 a reform of its corporate management and governance structure by (i) reorganizing the role of the Board of Directors, (ii) introducing Panasonic's own Executive Officer system* in its Group and (iii) strengthening its Corporate Auditor system, all tailored to the Group's new

business domain-based, autonomous management structure.

Panasonic's Executive Officer system was introduced to address the diversity of business operations over the entire Group through delegation of authority and to help integrate the comprehensive strengths of all Group companies in Japan and overseas. The Board of Directors appoints Executive Officers mainly from senior management personnel of business domain companies, such as internal divisional companies and subsidiaries, as well as from management personnel responsible for overseas subsidiaries and certain senior corporate staff. The Executive Officers assume responsibility as the Group's executives regarding execution of business. The Executive Officers may be given such titles as Vice President Executive Officer, Senior Managing Executive Officer, Managing Executive Officer and Executive Officer, depending on the extent of responsibility and achievement of each individual. The terms of office of the Executive Officers shall expire at the conclusion of the ordinary general meeting of shareholders with respect to the last business year of the Company ending within one year from their election. Each of the Executive Officers has the

authority to operate businesses for which such Executive Officer is responsible, under the supervision of the Board of Directors and in accordance with the Board of Directors' decisions on the management of corporate affairs.

The Board of Directors has, at the same time, been reformed in order to concentrate on establishing corporate strategies and supervising the implementation thereof by the Executive Officers. The Company has limited the number of Directors to facilitate more effective decision-making, and shortened their term of office to one year in order to clarify their responsibilities. Taking into consideration the diversified scope of the Company's business operations, the Company has chosen to continue its policy of having management personnel, who are well-versed in day-to-day operations at operational fronts, be members of the Board of Directors, while outside Directors continue to fully participate in Board meetings.

Meanwhile, the non-statutory full-time senior auditors were newly appointed within the Company's internal divisional companies in order to strengthen auditing functions at each business domain company. In addition, the Company has also launched the

"Panasonic Group Auditor Meeting" chaired by Senior Corporate Auditors of the Company in order to promote collaboration among the Company's Corporate Auditors, the non-statutory full-time senior auditors of the internal divisional companies and the corporate auditors of the Company's subsidiaries and affiliates. Moreover, as a part of their audit duties, Corporate Auditors maintain a close working relationship with the Internal Audit Group of the Company to ensure effective audits. Furthermore, in order to enhance the effectiveness of audits conducted by Corporate Auditors and ensure the smooth implementation of audits, the Company has established a Corporate Auditor's Office with full-time staff under the direct control of the Board of Corporate Auditors.

* Panasonic's Executive Officer ("Yakuin") system is a non-statutory system and different from the corporate executive officer ("Shikkoyaku") system that Japanese corporations with board of directors and an accounting auditor may adopt at their option under the statutory corporate governance system referred to as "joint stock corporation with specified committees" system stipulated in the Company Law.

Compensation

The aggregate amount of remuneration, including equity compensation such as stock options, bonuses, and other financial benefits given in consideration of performance of

duties (collectively, the "remunerations"), paid by the Company during fiscal 2011 to 18 Directors (other than Outside Directors) and 2 Corporate Auditors (other than Outside Corporate Auditors) for services in all capacities was 971 million yen and 67 million yen, respectively. The amount of remunerations for 2 Outside Directors and 3 Outside Corporate Auditors was 28 million yen and 42 million yen, respectively, in fiscal 2011.

The amount of remunerations for Mr. Kunio Nakamura, Chairman of the Board of Director, and Mr. Fumio Ohtsubo, President and Director, was 126 million yen and 109 million yen, respectively, in fiscal 2011.

Under the Company Law, the maximum amounts of remuneration of directors and corporate auditors of Japanese joint stock corporations, except for a "joint stock corporation with specified committees," must be approved at a general meeting of shareholders if the articles of incorporation of the company do not provide items about remuneration of directors and corporate auditors. Companies must also obtain the approval at a general meeting of shareholders to change such maximum amounts. Therefore, the remuneration of the directors

and corporate auditors are subject to the approval of shareholders if the articles of incorporation of the company do not prescribe such items. The maximum total amounts of remunerations for Directors and Corporate Auditors of the Company are therefore determined by a resolution at a general meeting of shareholders, because the Articles of Incorporation of the Company do not provide such items, and thus remuneration of Directors and Corporate Auditors of the Company is under the oversight of shareholders. The remuneration amount for each Director is determined by the Company's Representative Directors who are delegated to do so by the Board of Directors, and the amount of remuneration for each Corporate Auditor is determined upon discussions amongst the Corporate Auditors.

The amounts of the remuneration and bonuses of Directors are linked to individual performance based on Capital Cost Management (CCM), sales and CO₂ emissions (an environmental management indicator). By implementing this new performance evaluation criteria based on shareholder interests, the Company intends to promote continuous growth and enhance profitability on a long-term basis for the Panasonic Group as a whole.

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Policy on Control of Panasonic Corporation

Basic Policy

Since its foundation, Panasonic has operated its businesses under its basic management philosophy, which sets forth that the mission of a business enterprise is to contribute to the progress and development of society and the wellbeing of people through its business activities, thereby enhancing the quality of life throughout the world. Aiming to grow further to become a global excellent company that contributes to solving global environment issues, Panasonic will work to deliver sustained growth in corporate value to satisfy its shareholders, investors, customers, business partners, employees and all other stakeholders.

Panasonic has a basic policy that shareholders should make final decisions in the event of a Large-scale Purchase of the Company's shares, regarding whether or not the Large-scale Purchase should be accepted. However, there is a possibility that such Large-scale Purchaser may not provide shareholders to make appropriate decisions. There is also concern that any Large-scale Purchase may damage corporate value and shareholder interest. In this event, the Company may take countermeasures in order to protect the interests of all shareholders.

Measures to Realize Basic Policy

1) Specific Measures to Realize Basic Policy

In engaging in activities that help enrich people's lives, Panasonic aims to become a company that is capable of taking the lead in solving global environment issues, the world's common challenge. Leading up to its 100th anniversary in 2018, Panasonic has set a vision of becoming the No. 1 Green Innovation Company in the Electronics Industry. In this context, Panasonic has positioned its three-year midterm management plan, Green Transformation 2012 (GT12), as a first step along this path. Under the guidance of this plan, the Company will closely integrate its environment contribution with business growth as highlighted by the two central themes of the plan: "Paradigm shift for growth" and "Laying a foundation to be a green innovation company." From a paradigm shift to growth perspective, Panasonic is working diligently to shift its activities from (1) existing businesses to new businesses including energy; (2) Japan-oriented to globally-oriented, and (3) individual product-oriented to solutions and systems business-oriented. The Company will adopt bold and unconventional measures over the three years of the plan in its efforts to become a group filled with

strong growth potential. In completing the acquisitions of all shares of PEW and SANYO in April 2011, followed by ongoing Group-wide business and organization restructuring, Panasonic will accelerate these initiatives under the plan.

2) Measures Based on the Basic Policy to Prevent Control by Inappropriate Parties

On April 28, 2005, the Board of Directors resolved to adopt a policy related to a Large-scale Purchase of the Company's shares called the Enhancement of Shareholder Value (ESV) Plan. The ESV Plan has been approved at every Board of Directors meeting held in April since then. On May 7, 2010, the Board of Directors resolved to continue the ESV Plan. The Board of Directors' meeting to be held in April 2011 is scheduled to decide on whether to continue the ESV Plan again.

With respect to a Large-scale Purchaser who intends to acquire 20% or more of all voting rights of the Company, this policy requires that (i) a Large-scale Purchaser provide sufficient information, such as its outline, purposes and conditions, the basis for determination of the purchase price and funds for purchase, and management policies and business plans which the Large-scale Purchaser intends to adopt

after the completion of the Large-scale Purchase, to the Board of Directors before a Large-scale Purchase is to be conducted and (ii) after all required information is provided, the Board of Directors should be allowed a sufficient period of time (a sixty-day period or a ninety-day period) for consideration. The Board of Directors intends to assess and examine any proposed Large-scale Purchase after the information on such purchase is provided, and subsequently to disclose the opinion of the Board of Directors and any other information needed to assist shareholders in making their decisions. The Board of Directors may negotiate with the Large-scale Purchaser regarding purchase conditions or suggest alternative plans to shareholders, if it is deemed necessary.

If a Large-scale Purchaser does not comply with the rules laid out in the ESV Plan, the Company's Board of Directors may take countermeasures against the Large-scale Purchaser to protect the interests of all shareholders. Countermeasures include the implementation of share splits, issuance of stock acquisition rights (including allotment of share options without contribution) or any other measures that the Board of Directors is permitted to take under the Company Law of Japan, other laws and

the Company's Articles of Incorporation. If a Large-scale Purchaser complies with the Large-scale Purchase rules, the Board of Directors does not intend to prevent the Large-scale Purchase at its own discretion, unless it is clear that such Large-scale Purchase will cause irreparable damage or loss to the Company.

The Board of Directors will make decisions relating to countermeasures by referring to advice from outside professionals, such as lawyers and financial advisers, and fully respect the opinions of Outside Directors and statutory corporate auditors.

When invoking the aforementioned countermeasures, if the Company's Board of Directors decides that it is appropriate to confirm the will of shareholders from the perspective of the interest of all shareholders, a general meeting of shareholders will be held. If the Company's Board of Directors decides to hold a general meeting of shareholders, it will give notice to that effect as well as the reasons for such a meeting at that time.

The Board of Directors will adopt specific countermeasures which it deems appropriate at that time. If the Board of Directors elects to make a stock split for shareholders as of a certain record date, the maximum ratio of the

stock split shall be five-for-one. If the Board of Directors elects to issue stock acquisition rights to shareholders, the Company will issue one stock acquisition right for every share held by shareholders on a specified record date. One share shall be issued on the exercise of each stock acquisition right. If the Board of Directors elects to issue stock acquisition rights as a countermeasure, it may determine the exercise period and exercise conditions of the stock acquisition rights, as well as the conditions that allow the Company to acquire share options by swapping Company stock with a party other than the Large-scale Purchaser, in consideration of the effectiveness thereof as a countermeasure, such as the condition that shareholders do not belong to a specific group of shareholders including a Large-scale Purchaser.

The Company recognizes that the aforementioned countermeasures may cause damage or loss, economic or otherwise, to a prospective Large-scale Purchaser who does not comply with the Large-scale Purchase Rules. The Company does not anticipate that taking such countermeasures will cause shareholders, other than the Large-scale Purchaser, economic damage or loss of any rights. However, in the event that the Board of

Directors determines to take a specific countermeasure, the Board of Directors will disclose such countermeasure in a timely and appropriate manner, pursuant to relevant laws and financial instrument exchange regulations.

The term of office for all Directors is one year, and Directors are elected at the Ordinary General Meeting of Shareholders held in June every year. The Company's Board of Directors intends to review the Large-scale Purchase Rules, as necessary, for reasons including amendments to applicable legislation. Any such review would be conducted in the interests of all shareholders.

The Company's Board of Directors resolved to continue the Enhancement of Shareholder Value (ESV) Plan on April 28, 2011.

Please refer to the Company's homepage (URL <http://panasonic.co.jp/corp/news/official.data/data.dir/en110428-6/en110428-6-1.pdf>) for details.

Evaluation of Measures by the Board of Directors and Rationale for Evaluation

Panasonic's mid-term management plan was formulated as a specific measure to increase the Company's corporate value in a sustained

manner. The ESV Plan was formulated from the perspective of protecting shareholder value, and is aimed at ensuring shareholders receive sufficient information to make decisions on share purchase proposals by allowing those responsible for the management of the Company, the Board of Directors, to provide their evaluation of any proposed Large-scale Purchase, and providing the opportunity for alternative proposals to be submitted.

Consequently, these measures, in accordance with Basic Policy, are intended to protect the interests of all the Company's shareholders.

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□ Corporate Governance Structure

□ Policy on Control of Panasonic Corporation

■ Directors, Corporate Auditors and Executive Officers

Directors, Corporate Auditors and Executive Officers

(As of June 24, 2011)

Directors

Chairman of the Board
Kunio Nakamura
Vice Chairman of the Board
Masayuki Matsushita
President
Fumio Ohtsubo
Executive Vice Presidents
Toshihiro Sakamoto
In charge of Domestic Consumer Marketing, Domestic Customer Satisfaction and Design
Takahiro Mori
In charge of Planning, Corporate Division for Promoting Systems & Equipment Business, and Electrical Supplies Sales, Project Sales and Building Products Sales
Yasuo Katsura
Representative in Tokyo

Senior Managing Directors
Ken Morita
In charge of Manufacturing Innovation, Facility Management, Quality Administration, FF Customer Support & Management and Environmental Affairs
Ikusaburo Kashima
In charge of Legal Affairs, Intellectual Property, Corporate Risk Management, Corporate Information Security and Corporate Business Ethics
Yoshihiko Yamada
In charge of Industrial Sales
Kazuhiro Tsuga
President, AVC Networks Company
Yoshiiku Miyata
In charge of Overseas Operations

Managing Directors
Kazunori Takami
President, Home Appliances Company
Makoto Uenoyama
In charge of Accounting and Finance
Masatoshi Harada
Representative in Kansai
Takashi Toyama
President, Systems & Communications Company / President, Panasonic System Networks Co., Ltd.
Yoshiyuki Miyabe
In charge of Technology and Digital Network & Software Technology
Yoshiaki Nakagawa
In charge of Personnel and General Affairs

Directors
Ikuo Uno
(Outside Director)
Masayuki Oku
(Outside Director)
Honorary Chairman of the Board and Executive Advisor, Member of the Board
Masaharu Matsushita

Corporate Auditors

Senior Corporate Auditors
Masahiro Seyama
Yoshihiro Furuta
Chairman, Panasonic Group Auditors Meeting
Corporate Auditors
Yasuo Yoshino
(Outside Corporate Auditor)
Ikuo Hata
(Outside Corporate Auditor)
Hiroyuki Takahashi
(Outside Corporate Auditor)

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Executive Officers

Senior Managing Executive Officers

Shusaku Nagae

In charge of Lighting Company and
Panasonic Ecology Systems Co., Ltd. /
President, Panasonic Electric Works Co., Ltd.

Seiichiro Sano

President, SANYO Electric Co., Ltd.

Managing Executive Officers

Takumi Kajisha

In charge of Corporate Communications

Yutaka Takehana

Director, Corporate Division for Government & Public Affairs

Toshiaki Kobayashi

President, Panasonic Electronic Devices Co., Ltd.

Masaaki Fujita

In charge of Global Procurement and Global Logistics

Yoshihisa Fukushima

In charge of Intellectual Property

Hideaki Kawai

General Manager, Corporate Planning Group

Laurent Abadie

Director, Corporate Management Division for Europe /
Chairman & CEO, Panasonic Europe Ltd. /
Managing Director, Panasonic Marketing Europe GmbH

Yorihisa Shiokawa

Director, Corporate Management Division for
Asia and Oceania / Managing Director,
Panasonic Asia Pacific Pte. Ltd.

Executive Officers

Joseph Taylor

Director, Corporate Management Division for
North America / Chairman & CEO,
Panasonic Corporation of North America

Jun Ishii

President, Panasonic Consumer Marketing Co., Ltd.

Toshiro Kisaka

Director, Corporate Management Division for
China and Northeast Asia /
Chairman, Panasonic Corporation of China

Masato Tomita

Director, Corporate Management Division for CIS,
the Middle East & Africa

Takeshi Uenoyama

In charge of Device Technology

Shiro Nishiguchi

Director, Digital AVC Products Marketing Division,
Consumer Products Marketing

Yoshio Ito

Senior Vice President, Director,
Display Devices Business Group,
AVC Networks Company

Hidetoshi Osawa

Director, Corporate Communications Division

Mamoru Yoshida

Senior Vice President, Director,
Display Network Products Business Group,
AVC Networks Company

Tsuyoshi Nomura

Director, Corporate Manufacturing Innovation Division

Nobuharu Akamine

Senior Vice President,
Systems & Communications Company /
Executive Senior Vice President,
Panasonic System Networks Co., Ltd.

Kuniaki Okahara

Director, Corporate Engineering Quality
Administration Division

Yukio Nakashima

Director, Home Appliances and
Wellness Products Marketing Division,
Consumer Products Marketing

Kuniaki Matsukage

President, Lighting Company / Senior Managing Director,
Director of Lighting Manufacturing Business Unit,
Panasonic Electric Works Co., Ltd.

Masato Ito

President, Energy Company / Senior Vice President,
Company President, Energy Devices Company,
SANYO Electric Co., Ltd.

Yasutomo Fukui

In charge of Information Systems

Katsuhiko Fujiwara

Senior Vice President, in charge of Air Conditioner &
Cold-Chain Business, Home Appliances Company

Masahisa Shibata

President, Automotive Systems Company

Toshiyuki Takagi

Senior Vice President, Director,
Network Systems Business Group,
AVC Networks Company

Shiro Kitajima

COO, Panasonic Corporation of North America /
President, Panasonic Consumer Electronics Company

Machiko Miyai

Director, Corporate Environmental Affairs Division

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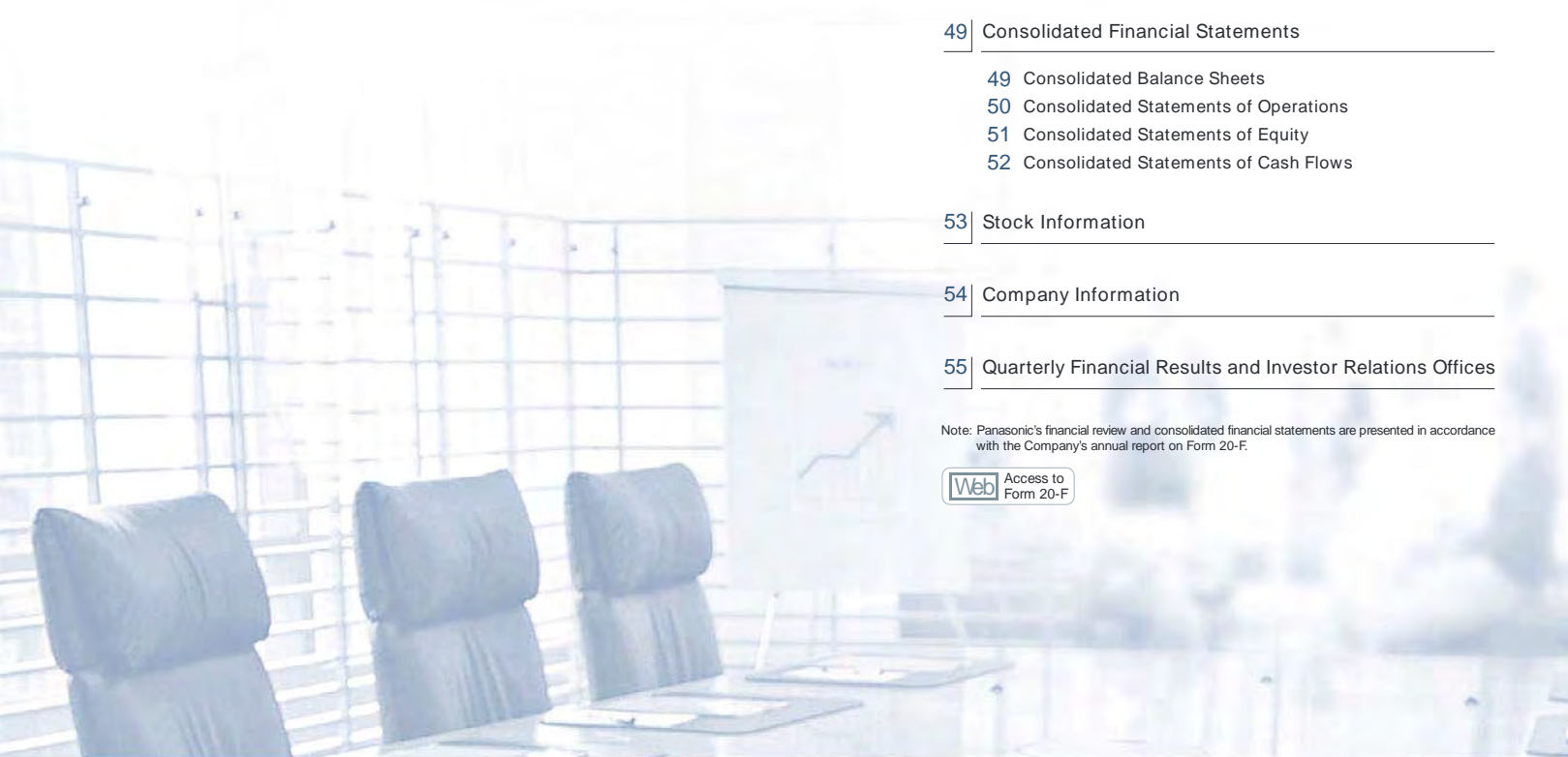
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Note: Panasonic's financial review and consolidated financial statements are presented in accordance with the Company's annual report on Form 20-F.



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* Please refer to the Company's Form 20-F for further details.

Consolidated Sales and Earnings Results

Sales

Consolidated group sales for fiscal 2011 amounted to 8,693 billion yen, up 17% from 7,418 billion yen in the previous fiscal year. This was due mainly to the inclusion of sales of SANYO and its subsidiaries in the Company's consolidated financial results from January 2010 onwards.

In fiscal 2011, as a first step towards realizing the 100th anniversary vision of becoming the "No.1 Green Innovation Company in the Electronics Industry," Panasonic started its three-year midterm management plan called "Green Transformation 2012 (GT12)," and worked towards the two themes of Paradigm Shift to Growth and Laying Foundations to be a Green Innovation Company.

Regarding Paradigm Shift to Growth, the Company worked towards shifting its businesses:

- 1) from existing businesses to new businesses – such as energy
- 2) from Japan-oriented to globally-oriented
- 3) from individual product-oriented to solutions & systems business-oriented

Furthermore, the Company promoted expansion of key businesses such as Heating/Refrigeration/Air Conditioning and LED, and sales increase in emerging markets through high-volume segment products. Regarding Laying Foundations to be a Green Innovation Company, Panasonic worked for a larger contribution towards protection of the environment, through increased sales of energy saving and creating products, while reducing CO₂ emissions in production. In addition, the Company proceeded to discuss business reorganization and new growth strategies, as Panasonic and its subsidiaries, PEW and SANYO agreed to make these two companies wholly-owned subsidiaries of Panasonic with the aim of speeding up synergy generation and maximizing it. Accordingly, PEW and SANYO became wholly-owned subsidiaries of Panasonic on April 1, 2011.

Cost of Sales and Selling, General and Administrative Expenses

In fiscal 2011, cost of sales amounted to 6,389 billion yen, up 1,048 billion yen from the previous year, and selling, general and administrative expenses amounted to 1,998 billion yen, up 112 billion yen from the previous year. These results are due mainly to the effects of sales increases, as discussed above.

Interest Income, Dividends Received and Other Income

In fiscal 2011, interest income decreased by 0.8 billion yen to 12 billion yen due mainly to the decrease in invested funds, and dividends received decreased by 0.4 billion yen to 6 billion yen and other income increased by 11 billion yen to 59 billion yen.

Interest Expense and Other Deductions

Interest expense increased by 2 billion yen to 28 billion yen. In other deductions, the Company incurred 35 billion yen as expenses associated with impairment losses of fixed assets, 57 billion yen as the restructuring charges, 28 billion yen as a write-down of investment securities, and 9 billion yen as the loss related to the Great East Japan Earthquake.

Income (loss) before Income Taxes

As a result of the above-mentioned factors, income before income taxes for fiscal 2011 amounted to 179 billion yen, compared with a loss of 29 billion yen in fiscal 2010, due mainly to strong sales on an annual basis, and a wide range of exhaustive cost reductions, including the streamlining of material costs and other general expenses.

Provision for Income Taxes

Provision for income taxes for fiscal 2011 decreased to 103 billion yen, compared with 142 billion yen in the previous year. This result was due primarily to profitability improvement at certain of the Company's subsidiaries, which resulted in the Company recording deferred tax benefits as result of the reversal of valuation allowance.

Equity in Earnings of Associated Companies

In fiscal 2011, equity in earnings of associated companies increased to gains of 10 billion yen from the previous year's gains of 0.5 billion yen, due mainly to the inclusion of SANYO's associated companies under the equity method.

Net Income (Loss)

Net income amounted to 86 billion yen for fiscal 2011, compared with a net loss of 171 billion yen in fiscal 2010.

Net Income (Loss) Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests amounted to 12 billion yen for fiscal 2011, compared with net loss attributable to noncontrolling interests of 67 billion yen in fiscal 2010. This result was due mainly to improved results in PEW.

Net Income (Loss) Attributable to Panasonic Corporation

As a result of all the factors stated in the preceding paragraphs, the Company recorded a net income attributable to Panasonic Corporation of 74 billion yen for fiscal 2011, an improvement of 177 billion yen from the previous year's net loss attributable to Panasonic Corporation of 103 billion yen.

Results of Operations by Business Segment

Digital AVC Networks sales decreased 3% to 3,304 billion yen, compared with 3,410 billion yen in the previous year. Despite favorable sales of Blu-ray Disc recorders, this result was due mainly to sales declines in mobile phones and digital cameras.

With respect to this segment, segment profit increased by 32% to 115 billion yen from 87 billion yen, mainly as a result of fixed cost reduction and streamlining efforts, offsetting the impact of a sales decline and the yen appreciation.

Sales of Home Appliances increased 6% to 1,276 billion yen, compared with 1,204 billion yen in the previous year, due mainly to favorable sales of air conditioners, refrigerators and compressors.

With respect to this segment, despite rising material costs, segment profit

increased by 40% to 92 billion yen from 66 billion yen, due mainly to strong sales and a fixed cost reduction.

Sales of PEW and PanaHome increased 6% to 1,735 billion yen, compared with 1,632 billion yen a year ago. Regarding PEW and its subsidiaries, in addition to favorable sales mainly in home appliances and devices such as electronic materials and automation controls, sales growth in the housing/building-related business such as electrical construction and building materials also contributed to the overall sales increase. For PanaHome and its subsidiaries, stable sales of housing construction such as detached housing and rental apartment housing led to the increase in overall sales.

With respect to this segment, segment profit improved significantly by 110% to 73 billion yen from 35 billion yen a year ago. This increase in profit was due mainly to strong sales and streamlining efforts, which offset the impact of the yen appreciation and rising material costs.

Sales of Components and Devices decreased 1% to 926 billion yen, from the previous year's 931 billion yen. Despite steady sales of general components, this result was due mainly to declines in sales of batteries and semiconductors.

With respect to this segment, segment profit decreased by 10% to 33 billion yen from 37 billion yen a year ago due mainly to falling sales, despite streamlining efforts.

Sales in the SANYO segment amounted to 1,562 billion yen. Within this segment, sales of solar photovoltaic systems, in-car-related equipment and cold-chain equipments were favorable, while sales of digital cameras and rechargeable batteries were sluggish due to price declines on the back of strong competition.

With respect to this segment, segment loss was 8 billion yen, after incurring expenses such as amortization of intangible assets recorded at acquisition.

Sales in the Other segment significantly increased 18% to 1,198 billion yen from 1,012 billion yen a year ago, due mainly to strong sales in factory automation equipment.

With respect to this segment, segment profit also improved 168% to 53 billion yen from 20 billion due mainly to sales increase.



Sales Results by Region

Sales in the domestic market amounted to 4,514 billion yen, up 13% from 3,994 billion yen in fiscal 2010. A last minute rush before

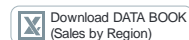
the revision of the 'eco-point' system, the Japanese government's economic stimulus program pushed sales up. As a result, sales in Japanese consumer products achieved record highs.

Overseas sales amounted to 4,179 billion yen, up 22% from 3,424 billion yen in the previous fiscal year. Strong sales in PEW's products, FA equipment and air conditioners in Asia and China, contributed to the overall sales increases.

By region, sales in the Americas amounted to 1,071 billion yen, up 17% from 918 billion yen in fiscal 2010. This was due mainly to sales increases in automotive electronics, general electric components and batteries.

Sales in Europe amounted to 857 billion yen, up 11% from the previous year's 771 billion yen. This was due mainly to sales increases of home appliances such as air conditioners.

In the Asia and Others, sales increased 30% to 2,251 billion yen, from the previous year's 1,735 billion yen. In Asia, this was due mainly to strong sales in PEW's products, FA equipment and air conditioners.



Financial Position and Liquidity

The Company's consolidated total assets as of the end of fiscal 2011 decreased to 7,823 billion yen, as compared with 8,358 billion yen as of the end of the last fiscal year. This was due mainly to appreciation of the yen and a decrease in investments and advances affected by decreases in the market value of investments, in addition to falls in cash and cash equivalents and account receivables.

The Company's consolidated total liabilities as of March 31, 2011 increased to 4,877 billion yen, as compared with 4,678 billion yen as of the end of the last fiscal year.

Panasonic Corporation shareholders' equity as of March 31, 2011 decreased to 2,559 billion yen, as compared with the previous year's 2,792 billion yen. This was mainly due to deterioration in accumulated other comprehensive income (loss) influenced by appreciation of the yen and a decrease in capital surplus owing to acquisition of noncontrolling interests of the Company's subsidiaries.

Noncontrolling interests decreased by 500 billion yen, to 387 billion yen due mainly to the tender offer, for shares of PEW and

shares of SANYO, which were completed in October 2010.

Capital investment (excluding intangibles) during fiscal 2011 totaled 404 billion yen, up 4.7% from the previous fiscal year's total of 385 billion yen. Panasonic primarily implemented capital investment to increase production capacity in strategic business areas such as flat-panel TVs and batteries. Principal capital investments consisted of the panel production facilities of Panasonic Liquid Crystal Display Co., Ltd. in Himeji City, Hyogo Prefecture; and the solar cell and rechargeable battery production facilities of SANYO.

Depreciation (excluding intangibles) during fiscal 2011 amounted to 284 billion yen, up 13% compared with 252 billion yen in the previous fiscal year, due mainly to the inclusion of SANYO.

Net cash provided by operating activities in fiscal 2011 amounted to 469 billion yen, compared with 522 billion yen in the previous fiscal year. This result was due mainly to a decrease in trade payables, accrued expenses and other current liabilities as well as an increase in inventories, despite an increase in net income and a decrease in trade receivables. Net cash used in investing

activities amounted to 203 billion yen, compared with 323 billion yen in fiscal 2010. This result was due primarily to an outflow to purchase of SANYO shares in previous year despite a decrease in capital expenditures for tangible fixed assets. Net cash used in financing activities was 355 billion yen, compared with 57 billion yen in fiscal 2010. This result was due mainly to expenditures on purchasing of noncontrolling interests through the tender offers for PEW and SANYO and repayments of long-term debt. This was despite the issuance of unsecured straight bonds of 500 billion yen.

Free cash flow in fiscal 2011 amounted to 266 billion yen, compared with 199 billion yen in fiscal 2010, due primarily to an outflow to purchase SANYO shares in the previous year, and despite a decrease in net cash provided by operating activities mainly through an increase in inventories.

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Consolidated Financial Statements

Consolidated Balance Sheets

Panasonic Corporation and Subsidiaries
March 31, 2010 and 2011

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(Balance Sheets)

	(Millions of yen)	
	2010	2011
Assets		
Current assets:		
Cash and cash equivalents	1,109,912	974,826
Time deposits	92,032	69,897
Trade receivables:		
Related companies	37,940	17,202
Notes	74,028	78,821
Accounts	1,097,230	984,938
Allowance for doubtful receivables	(24,158)	(21,860)
Net trade receivables	1,185,040	1,059,101
Inventories	913,646	896,424
Other current assets	505,418	489,601
Total current assets	3,806,048	3,489,849
Investments and advances:		
Associated companies	177,128	156,845
Other investments and advances	459,634	412,806
Total investments and advances	636,762	569,651
Property, plant and equipment:		
Land	391,394	381,840
Buildings	1,767,674	1,771,178
Machinery and equipment	2,303,633	2,290,760
Construction in progress	128,826	96,489
Total	4,591,527	4,540,267
Less accumulated depreciation	2,635,506	2,656,958
Net property, plant and equipment	1,956,021	1,883,309
Other assets:		
Goodwill	923,001	924,752
Intangible assets	604,865	542,787
Other assets	431,360	412,522
Total other assets	1,959,226	1,880,061
Total assets	8,358,057	7,822,870

	(Millions of yen)	
	2010	2011
Liabilities and Equity		
Current liabilities:		
Short-term debt, including current portion of long-term debt	299,064	432,982
Trade payables:		
Related companies	66,596	55,102
Notes	59,516	59,889
Accounts	945,334	886,261
Total trade payables	1,071,446	1,001,252
Accrued income taxes	39,154	42,415
Accrued payroll	149,218	192,279
Other accrued expenses	826,051	747,205
Deposits and advances from customers	64,046	66,473
Employees' deposits	10,009	9,101
Other current liabilities	356,875	355,343
Total current liabilities	2,815,863	2,847,050
Noncurrent liabilities:		
Long-term debt	1,028,928	1,162,287
Retirement and severance benefits	435,799	492,960
Other liabilities	397,694	374,238
Total noncurrent liabilities	1,862,421	2,029,485
Panasonic Corporation shareholders' equity:		
Common stock:		
Authorized - 4,950,000,000 shares		
Issued - 2,453,053,497 shares	258,740	258,740
Capital surplus	1,209,516	1,100,181
Legal reserve	93,307	94,198
Retained earnings	2,349,487	2,401,909
Accumulated other comprehensive income (loss):		
Cumulative translation adjustments	(352,649)	(453,158)
Unrealized holding gains of available-for-sale securities	40,700	16,835
Unrealized gains of derivative instruments	1,272	2,277
Pension liability adjustments	(137,555)	(191,254)
Total accumulated other comprehensive loss	(448,232)	(625,300)
Treasury stock, at cost:		
382,760,101 shares (382,448,008 shares in 2010)	(670,330)	(670,736)
Total Panasonic Corporation shareholders' equity	2,792,488	2,558,992
Noncontrolling interests	887,285	387,343
Total equity	3,679,773	2,946,335
Commitments and contingent liabilities		
Total	8,358,057	7,822,870

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Consolidated Statements of Operations



Panasonic Corporation and Subsidiaries

Years ended March 31, 2009, 2010 and 2011

(Millions of yen)

	2009	2010	2011
Revenues, costs and expenses:			
Net sales:			
Related companies	223,231	209,938	211,589
Other	7,542,276	7,208,042	8,481,083
Total net sales	7,765,507	7,417,980	8,692,672
Cost of sales	(5,667,287)	(5,341,059)	(6,389,180)
Selling, general and administrative expenses	(2,025,347)	(1,886,468)	(1,998,238)
Interest income	23,477	12,348	11,593
Dividends received	11,486	6,746	6,323
Other income	52,709	47,896	59,050
Interest expense	(19,386)	(25,718)	(27,524)
Other deductions	(523,793)	(261,040)	(175,889)
Income (loss) before income taxes	(382,634)	(29,315)	178,807
Provision for income taxes:			
Current	61,840	58,147	88,910
Deferred	(24,482)	83,686	14,100
	37,358	141,833	103,010
Equity in earnings of associated companies	16,149	481	9,800
Net income (loss)	(403,843)	(170,667)	85,597
Less net income (loss) attributable to noncontrolling interests	(24,882)	(67,202)	11,580
Net income (loss) attributable to Panasonic Corporation...	(378,961)	(103,465)	74,017
			(Yen)
	2009	2010	2011
Net income (loss) per share attributable to Panasonic Corporation common shareholders:			
Basic	(182.25)	(49.97)	35.75
Diluted	(182.25)	—	—

Financial Highlights	Highlights	Top Message	Group Strategies	Segment Information	R&D	Design	Intellectual Property	Corporate Governance	Financial and Corporate Data
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Consolidated Statements of Equity

Panasonic Corporation and Subsidiaries
Years ended March 31, 2009, 2010 and 2011

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(Statements of Equity)

	(Millions of yen)		
	2009	2010	2011
Common stock:			
Balance at beginning of year.....	258,740	258,740	258,740
Balance at end of year.....	258,740	258,740	258,740
Capital surplus:			
Balance at beginning of year.....	1,217,865	1,217,764	1,209,516
Sale of treasury stock.....	(101)	(8)	(9)
Equity transactions with noncontrolling interests and others ...	—	(8,240)	(109,326)
Balance at end of year.....	1,217,764	1,209,516	1,100,181
Legal reserve:			
Balance at beginning of year.....	90,129	92,726	93,307
Transfer from retained earnings.....	2,597	581	891
Balance at end of year.....	92,726	93,307	94,198
Retained earnings:			
Balance at beginning of year prior to adjustment	2,948,065	2,479,416	2,349,487
Effects of changing the pension plan measurement date, net of tax	(3,727)	—	—
Balance at beginning of year as adjusted	2,944,338	2,479,416	2,349,487
Net income (loss) attributable to Panasonic Corporation.....	(378,961)	(103,465)	74,017
Cash dividends to Panasonic Corporation shareholders.....	(83,364)	(25,883)	(20,704)
Transfer to legal reserve	(2,597)	(581)	(891)
Balance at end of year.....	2,479,416	2,349,487	2,401,909
Accumulated other comprehensive income (loss):			
Balance at beginning of year prior to adjustment	(173,897)	(594,377)	(448,232)
Effects of changing the pension plan measurement date, net of tax	(73,571)	—	—
Balance at beginning of year as adjusted	(247,468)	(594,377)	(448,232)
Equity transactions with noncontrolling interests and others	—	—	(5,885)
Other comprehensive income (loss), net of tax	(346,909)	146,145	(171,183)
Balance at end of year.....	(594,377)	(448,232)	(625,300)


	(Millions of yen)		
	2009	2010	2011
Treasury stock:			
Balance at beginning of year.....	(598,573)	(670,289)	(670,330)
Repurchase of common stock	(72,416)	(72)	(432)
Sale of treasury stock	700	31	26
Balance at end of year.....	(670,289)	(670,330)	(670,736)
Noncontrolling interests:			
Balance at beginning of year prior to adjustment.....	514,620	428,601	887,285
Effects of changing the pension plan measurement date, net of tax	(3)	—	—
Balance at beginning of year as adjusted	514,617	428,601	887,285
Cash dividends paid to noncontrolling interests.....	(20,803)	(14,619)	(12,583)
Acquisition transaction.....	—	532,360	—
Equity transactions with noncontrolling interests and others....	(1,422)	(2,402)	(474,758)
Net income (loss) attributable to noncontrolling interests.....	(24,882)	(67,202)	11,580
Other comprehensive income (loss), net of tax:			
Translation adjustments.....	(18,043)	1,238	(21,764)
Unrealized holding gains (losses) of available-for-sale securities	(1,619)	2,378	(1,633)
Unrealized gains (losses) of derivative instruments.....	(12)	68	(26)
Pension liability adjustments.....	(19,235)	6,863	(758)
Balance at end of year.....	428,601	887,285	387,343
Disclosure of comprehensive income (loss):			
Net income (loss).....	(403,843)	(170,667)	85,597
Other comprehensive income (loss), net of tax:			
Translation adjustments.....	(130,843)	(9,819)	(107,779)
Unrealized holding gains (losses) of available-for-sale securities	(57,624)	53,641	(24,422)
Unrealized gains (losses) of derivative instruments.....	(9,227)	6,229	962
Pension liability adjustments.....	(188,124)	106,641	(64,125)
Comprehensive loss	(789,661)	(13,975)	(109,767)
Comprehensive loss attributable to noncontrolling interests....	(63,791)	(56,655)	(12,601)
Comprehensive income (loss) attributable to Panasonic Corporation	(725,870)	42,680	(97,166)

Financial Highlights	Highlights	Top Message	Group Strategies	Segment Information	R&D	Design	Intellectual Property	Corporate Governance	Financial and Corporate Data
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☐ Financial Review
 ☒ Consolidated Financial Statements
 ☐ Stock Information
 ☐ Company Information
 ☐ Quarterly Financial Results and Investor Relations Offices

Consolidated Statements of Cash Flows

Panasonic Corporation and Subsidiaries
Years ended March 31, 2009, 2010 and 2011

 Download DATA BOOK
(Statements of Cash Flows)

	(Millions of yen)		
	2009	2010	2011
Cash flows from operating activities:			
Net income (loss).....	(403,843)	(170,667)	85,597
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	364,806	298,270	367,263
Net gain on sale of investments.....	(13,512)	(5,137)	(11,318)
Provision for doubtful receivables	10,538	10,862	4,392
Deferred income taxes.....	(24,482)	83,686	14,100
Write-down of investment securities	92,016	6,944	27,539
Impairment losses on long-lived assets.....	313,466	83,004	34,692
Cash effects of changes in, excluding acquisition:			
Trade receivables.....	249,123	(119,966)	83,333
Inventories.....	21,011	100,576	(54,659)
Other current assets	30,279	24,151	(181)
Trade payables	(199,176)	83,719	(12,826)
Accrued income taxes	(33,358)	6,706	13,038
Accrued expenses and other current liabilities	(157,660)	102,743	(24,374)
Retirement and severance benefits.....	(107,196)	(8,655)	(38,400)
Deposits and advances from customers.....	(21,191)	(7,368)	607
Other, net	(4,174)	33,465	(19,608)
Net cash provided by operating activities	116,647	522,333	469,195
Cash flows from investing activities:			
Proceeds from sale of short-term investments.....	—	6,442	—
Purchase of short-term investments.....	—	(6,369)	—
Proceeds from disposition of investments and advances.....	221,127	61,302	87,229
Increase in investments and advances	(34,749)	(8,855)	(8,873)
Capital expenditures	(521,580)	(375,648)	(420,921)
Proceeds from disposals of property, plant and equipment	40,476	117,857	152,663
(Increase) decrease in time deposits, net.....	(136,248)	99,274	19,005
Purchase of shares of newly consolidated subsidiaries, net of acquired companies' cash and cash equivalents	—	(174,808)	—
Other, net	(38,503)	(42,854)	(32,048)
Net cash used in investing activities	(469,477)	(323,659)	(202,945)

	(Millions of yen)		
	2009	2010	2011
Cash flows from financing activities:			
Decrease in short-term debt, net	(34,476)	(3,360)	(34,034)
Proceeds from long-term debt	442,515	53,172	505,123
Repayments of long-term debt	(83,257)	(54,780)	(201,906)
Dividends paid to Panasonic Corporation shareholders.....	(83,364)	(25,883)	(20,704)
Dividends paid to noncontrolling interests.....	(20,803)	(14,619)	(12,583)
Repurchase of common stock	(72,416)	(72)	(432)
Sale of treasury stock	599	23	17
Purchase of noncontrolling interests.....	—	(11,095)	(589,910)
Other, net	(86)	(359)	(198)
Net cash provided by (used in) financing activities	148,712	(56,973)	(354,627)
Effect of exchange rate changes on cash and cash equivalents....	(36,831)	(5,656)	(46,709)
Net increase (decrease) in cash and cash equivalents	(240,949)	136,045	(135,086)
Cash and cash equivalents at beginning of year	1,214,816	973,867	1,109,912
Cash and cash equivalents at end of year	973,867	1,109,912	974,826

Financial Highlights	Highlights	Top Message	Group Strategies	Segment Information	R&D	Design	Intellectual Property	Corporate Governance	Financial and Corporate Data
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☐ Financial Review
 ☐ Consolidated Financial Statements
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 ☐ Quarterly Financial Results and Investor Relations Offices

Stock Information (As of March 31, 2011)

Share Data

Number of Shares Issued	Transfer Agent for Common Stock
2,453,053,497 shares	The Sumitomo Trust & Banking Co., Ltd.
(Including 382,760,101 shares held by Panasonic)	5-33, Kitahama, 4-chome, Chuo-ku, Osaka-shi,
	Osaka 540-8639, Japan
Number of Shareholders	Phone: +81-6-6220-2121
364,618 persons	
Japanese Stock Exchange Listings	Depository and Transfer Agent
Tokyo, Osaka and Nagoya Stock Exchanges	for American Depositary Receipts (ADRs)
	JPMorgan Service Center
Overseas Stock Exchange Listing	P.O. Box 64504
New York Stock Exchange	St. Paul, MN 55164-0504, U.S.A.
	Phone: U.S.: +1-800-990-1135
	International: +1-651-453-2128

Breakdown of Share Holdings (Years ended March 31)

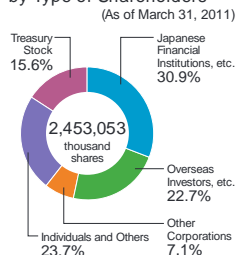
	2007	2008	2009	2010	2011
Number of shares issued at year-end	2,453,053	2,453,053	2,453,053	2,453,053	2,453,053
Treasury stock at year-end	306,769	351,936	382,411	382,448	382,760
Average common shares outstanding	2,182,791	2,120,986	2,079,296	2,070,623	2,070,341

Note: Amounts less than one thousand have been discarded.

Breakdown of Issued Shares by Type of Shareholders (March 31 of each year)

	2007	2008	2009	2010	2011
Japanese Financial Institutions, etc.	32.9	31.6	34.1	30.8	30.9
Overseas Investors, etc.	28.5	28.7	22.5	25.3	22.7
Other Corporations	6.3	6.7	7.1	7.1	7.1
Individuals and Others	19.8	18.6	20.7	21.2	23.7
Treasury Stock	12.5	14.4	15.6	15.6	15.6
Total	100.0	100.0	100.0	100.0	100.0

Breakdown of Issued Shares by Type of Shareholders (As of March 31, 2011)

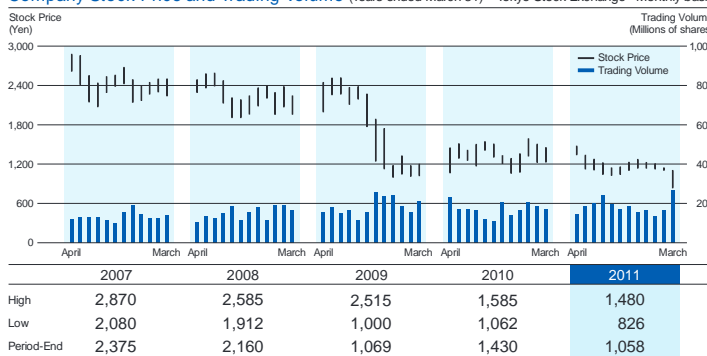


Major Shareholders

Name	Share ownership (in thousands of shares)	Percentage of total issued shares (%)
The Master Trust Bank of Japan Ltd. (trust account).....	116,892	4.76
Japan Trustee Services Bank, Ltd. (trust account).....	108,189	4.41
Moxley & Co.	78,609	3.20
Nippon Life Insurance Company.....	67,000	2.73
Sumitomo Mitsui Banking Corporation	57,024	2.32
Panasonic Corporation Employee Shareholding Association	43,446	1.77
SSBT OD05 Omnibus Account-Treaty Clients	39,700	1.61
Sumitomo Life Insurance Co.	37,408	1.52
State Street Bank and Trust Co.	33,117	1.35
Mitsui Sumitomo Insurance Co., Ltd.	30,105	1.22

Notes: 1. Amounts less than one thousand have been discarded.
2. The number of treasury stock is 382,760 thousand shares.

Company Stock Price and Trading Volume (Years ended March 31) *Tokyo Stock Exchange Monthly basis



Company Information (As of March 31, 2011)

Company Outline

Company Name	Consolidated Companies
Panasonic Corporation (NYSE: PC/TSE Securities Code: 6752)	634 companies
Founded	Associated Companies under the Equity Method
March 1918 (incorporated in December 1935)	114 companies
Common Stock	Corporate HP
258.7 billion yen	Panasonic Corporate Site http://panasonic.net/ IR Site http://panasonic.net/ir/

Number of employees (March 31 of each year) (persons)

	2007	2008	2009	2010	2011
Domestic	145,418	135,563	132,144	152,853	145,512
Overseas	183,227	170,265	160,106	231,733	221,425
Total	328,645	305,828	292,250	384,586	366,937

Corporate Bonds Information

Unsecured Straight Bonds in Japan*

Series	Years	Coupon rate (per annum)	Aggregate principal amount of issue	Maturity date
Fifth	10	1.640%	100 billion yen	December 20, 2011
Sixth	3	1.140%	100 billion yen	March 20, 2012
Seventh	5	1.404%	200 billion yen	March 20, 2014
Eighth	10	2.050%	100 billion yen	March 20, 2019
Ninth	2	0.380%	150 billion yen	March 19, 2013
Tenth	5	0.752%	200 billion yen	March 18, 2016
Eleventh	7	1.081%	150 billion yen	March 20, 2018

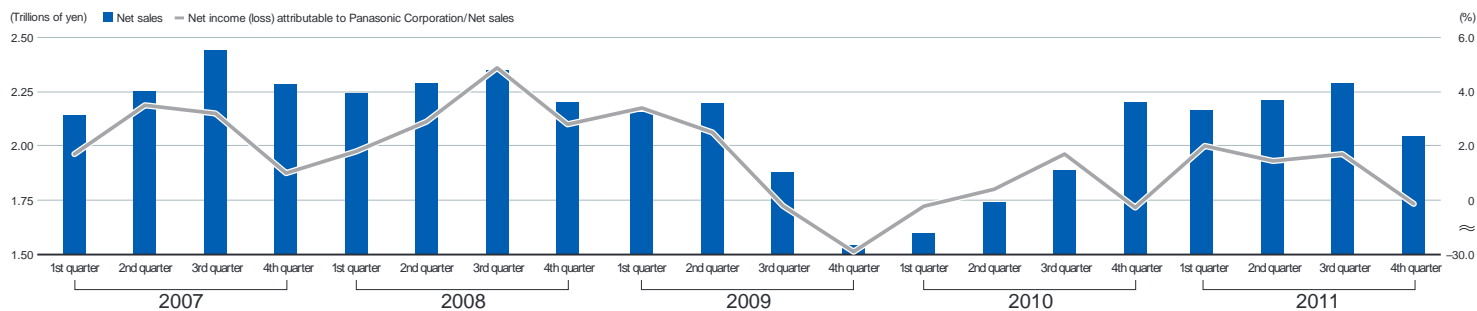
* Unsecured straight bonds issued by Panasonic Corporation in Japan

Basic History of the Company

- 1918 Konosuke Matsushita founded Matsushita Electric Housewares Manufacturing Works. Sales of the Company's first product, an improved attachment plug, began.
- 1927 The "National" brand name was registered.
- 1933 A divisional system was instituted.
- 1935 The Company was reorganized and renamed Matsushita Electric Industrial Co., Ltd.
- 1949 The Company's shares were listed on the Tokyo Stock Exchange and the Osaka Securities Exchange.
- 1959 Matsushita Electric Corporation of America was established. Following this move, the Company established bases in other parts of the world.
- 1971 The Company's shares were listed on the New York Stock Exchange.
- 2002 The Company made Matsushita Communication Industrial Co., Ltd., Kyushu Matsushita Electric Co., Ltd., Matsushita Seiko Co., Ltd., Matsushita Kotobuki Electronics Industries, Ltd. and Matsushita Graphic Communication Systems, Inc. into wholly-owned subsidiaries.
- 2003 The Company adopted a business domain-based organizational style through restructuring. The Company made Matsushita Electronic Components Co., Ltd. and Matsushita Battery Industrial Co., Ltd. into wholly-owned subsidiaries.
- 2004 The Company made Matsushita Electric Works, Ltd. (now Panasonic Electric Works Co., Ltd.), PanaHome Corporation and their subsidiaries into consolidated subsidiaries.
- 2008 The Company changed its name from Matsushita Electric Industrial Co., Ltd. to Panasonic Corporation. The Company planned to unify its corporate brands under the "Panasonic" name across the world.
- 2009 The Company made SANYO Electric Co., Ltd. and its subsidiaries into consolidated subsidiaries.
- 2011 The Company made Panasonic Electric Works Co., Ltd. and SANYO Electric Co., Ltd. into wholly-owned subsidiaries.

Quarterly Financial Results and Investor Relations Offices

Quarterly Financial Results (Years ended March 31)



(Millions of yen)

	2007	2008	2009	2010	2011
Net sales					
1st quarter	2,136,934	2,239,505	2,151,997	1,595,458	2,161,126
2nd quarter	2,252,560	2,285,800	2,191,714	1,737,838	2,206,822
3rd quarter	2,436,828	2,344,565	1,879,940	1,886,588	2,285,413
4th quarter	2,281,848	2,199,058	1,541,856	2,198,096	2,039,311
Total	9,108,170	9,068,928	7,765,507	7,417,980	8,692,672
Net income (loss) attributable to Panasonic Corporation					
1st quarter	35,830	39,314	73,031	(52,977)	43,678
2nd quarter	79,293	65,808	55,461	6,109	31,040
3rd quarter	78,673	115,183	(63,116)	32,259	39,983
4th quarter	23,389	61,572	(444,337)	(88,856)	(40,684)
Total	217,185	281,877	(378,961)	(103,465)	74,017

Note: Quarterly financial data is unaudited and has not been reviewed under Statements on Auditing Standards No. 100 "Interim Financial Information," by Panasonic's independent registered public accounting firm.

Investor Relations Offices

Japan

Osaka

Panasonic Corporation, Investor Relations Office
1006 Oaza Kadoma, Kadoma-shi, Osaka 571-8501, Japan
Phone: +81-6-6908-1121

Tokyo

Panasonic Corporation, Investor Relations Office
1-1-2 Shiba-Koen, Minato-ku, Tokyo 105-8581, Japan
Phone: +81-3-3437-1121

U.S.

Panasonic Finance (America), Inc.
1 Rockefeller Plaza, Suite 1001, New York, NY 10020-2002, U.S.A.
Phone: +1-212-698-1360

Europe

Panasonic Finance (Europe) plc
5th Floor 9 Devonshire Square, London, EC2M 4YF, U.K.
Phone: +44-20-3008-6887

<http://panasonic.net/>



Panasonic Corporation

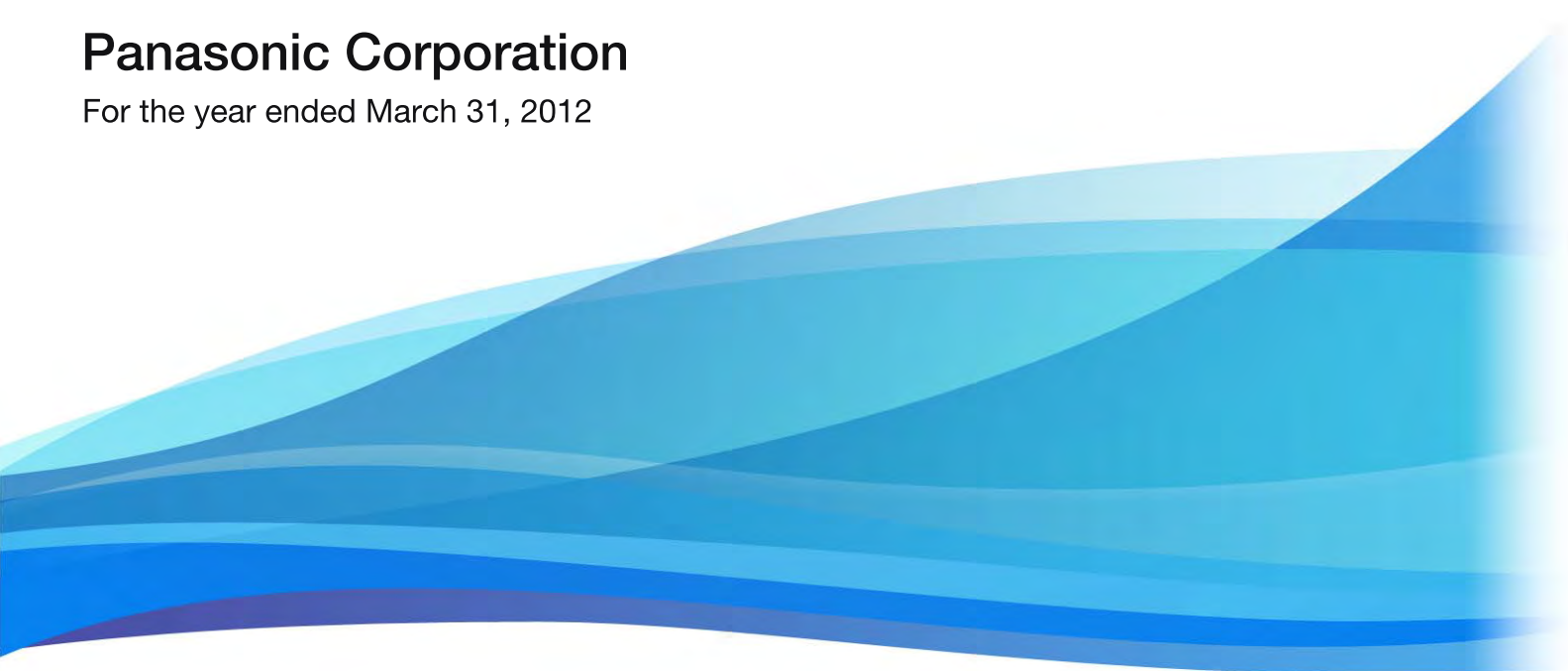
EXHIBIT T



Annual Report 2012

Panasonic Corporation

For the year ended March 31, 2012



Panasonic
ideas for life

Financial Highlights	Highlights	To Our Stakeholders	Performance Summary	Top Message	Segment Information	R&D	Design Development	Intellectual Property	Environmental Activities	Corporate Governance	Financial and Corporate Data
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Profile

Since its foundation in 1918, Panasonic Corporation has been guided by its basic management philosophy, which states that the mission of an enterprise is to contribute to the progress and development of society and the well-being of people worldwide.

In January 2012, Panasonic undertook a major reorganization of its Group-wide businesses including Panasonic Electric Works Co., Ltd. and SANYO Electric Co., Ltd. Through this process of reorganization, the Company has shifted to a business model-based structure that focuses on the perspectives of its customers. Under this new structure, every effort is channeled toward creating synergies that take full advantage of the Group's products, systems, and services.

Always keeping in mind its brand slogan, Panasonic ideas for life, the Company will continue to enrich the lives of people around the world and contribute the future of the earth and the progress of society.



Panasonic has positioned the environment at the heart of all its business activities as it aims to become the No. 1 Green Innovation Company in the Electronics Industry.

The Company will endeavor to secure a sustainable society in tandem with business growth by promoting Green Life Innovation that helps realize green lifestyles to enrich people's lives, and Green Business Innovation to help reduce the environmental impact of its business activities to the greatest extent possible while recommending that this kind of business style be taken up across society.

The 'eco ideas' mark symbolizes Panasonic's strong commitment to continuous environmental sustainability management.

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TOKYO SKYTREE® Lighting up the Evening Sky with All LED Lighting



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Note: Risk Factors

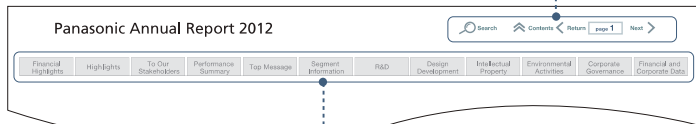
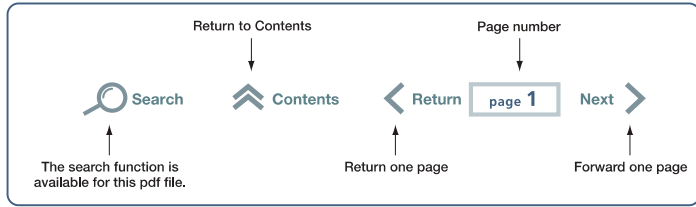
Please refer to the Company's Form 20-F for details regarding business and other risks.

Financial Highlights	Highlights	To Our Stakeholders	Performance Summary	Top Message	Segment Information	R&D	Design Development	Intellectual Property	Environmental Activities	Corporate Governance	Financial and Corporate Data
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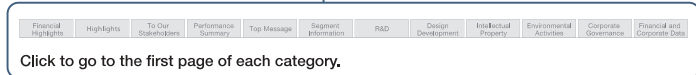
Instructions Regarding the Use of Navigation and Category Tabs

With the exception of the relevant page number, navigation tabs will not appear when each page is printed.

Navigation tab



Category tab



Editorial Policy

This Annual Report contains wide-ranging information including details of Panasonic's business strategies and financial position that assist mainly individual and institutional investors in making investment decisions. In this Report, particular emphasis was placed on the following points.

1. New segment results reporting

With the shift to a new structure from January 2012, the Company has presented information regarding new segments.

2. An explanation of the Panasonic Group's direction and ideal image going forward

Details are presented to provide a deeper understanding of the Group's future management direction with an interview with Kazuhiro Tsuga, appointed president of Panasonic Corporation in June 2012, and messages from the presidents of the business domain companies and the director of the marketing sector under the new structure.

Please refer to the website URL indicated to the right for information on Panasonic's approach and activities regarding corporate social responsibilities (CSR) and the environment.



CSR
<http://panasonic.net/csr/>



Environmental Activities
<http://panasonic.net/eco/>

Disclaimer Regarding Forward-Looking Statements

This Annual Report includes forward-looking statements (within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934) about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this Annual Report do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic undertakes no obligation to publicly update any forward-looking statements after the date of this Annual Report. Investors are advised to consult any further disclosures by Panasonic in its subsequent filings with the U.S. Securities and Exchange Commission pursuant to the U.S. Securities Exchange Act of 1934 and its other filings.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the United States, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; currency rate fluctuations, notably between the yen, the U.S. dollar, the euro, the Chinese yuan, Asian currencies and other currencies in which the Panasonic Group operates businesses, or in which assets and liabilities of the Panasonic Group are denominated; the possibility of the Panasonic

Group incurring additional costs of raising funds, because of changes in the fund raising environment; the ability of the Panasonic Group to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results on the alliances or mergers and acquisitions including the business reorganization after the acquisition of all shares of Panasonic Electric Works Co., Ltd. and SANYO Electric Co., Ltd.; the ability of the Panasonic Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Panasonic Group to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; fluctuations in market prices of securities and other assets in which the Panasonic Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, deferred tax assets and uncertain tax positions; future changes or revisions to accounting policies or accounting rules; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world, disruption of supply chain and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in Panasonic's latest annual reports, Form 20-F, and any other reports and documents which are on file with the U.S. Securities and Exchange Commission.

Financial
Highlights

Highlights

To Our
StakeholdersPerformance
Summary

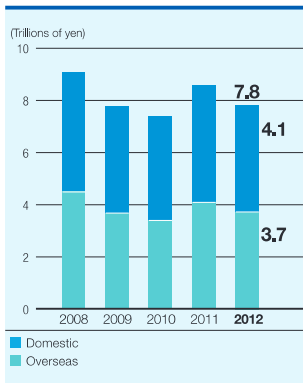
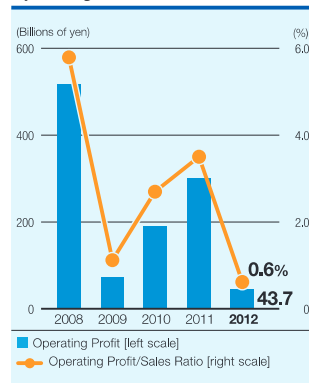
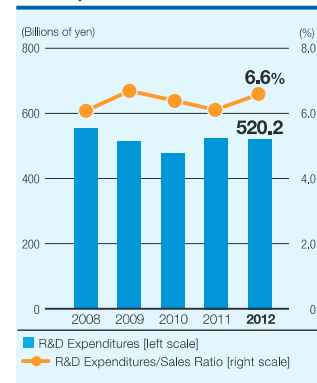
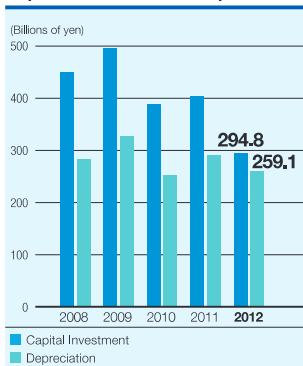
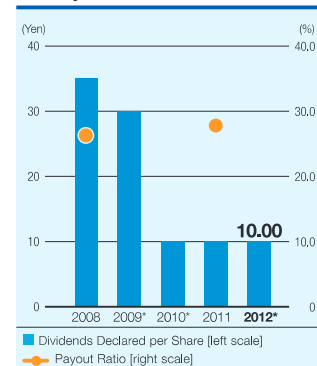
Top Message

Segment
Information

R&D

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■ Major Financial Indicators (Graphs) | □ Major Financial Indicators (Tables) |

Major Financial Indicators (Graphs)Panasonic Corporation and Subsidiaries
Years ended March 31**Net Sales****Operating Profit and Ratio to Sales****Net Income Attributable to Panasonic Corporation and Ratio to Sales****R&D Expenditures and Ratio to Sales****Capital Investment and Depreciation****Panasonic Corporation Shareholders' Equity and ROE****Free Cash Flow****Dividends Declared per Share and Payout Ratio**


*Payout ratios have not been presented for those fiscal years in which the Company incurred a net loss attributable to Panasonic Corporation.

Financial Highlights	Highlights	To Our Stakeholders	Performance Summary	Top Message	Segment Information	R&D	Design Development	Intellectual Property	Environmental Activities	Corporate Governance	Financial and Corporate Data
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☐ Major Financial Indicators (Graphs) |
 ☒ Major Financial Indicators (Tables) |

Major Financial Indicators (Tables)

Panasonic Corporation and Subsidiaries
Years ended March 31

 Download DATA BOOK
(10-Year Summary)

	2008	2009	2010	2011	2012
For the year (Millions of yen)					
Net sales	9,068,928	7,765,507	7,417,980	8,692,672	7,846,216
Operating profit	519,481	72,873	190,453	305,254	43,725
Income (loss) before income taxes	434,993	(382,634)	(29,315)	178,807	(812,844)
Net income (loss)	310,514	(403,843)	(170,667)	85,597	(816,144)
Net income (loss) attributable to Panasonic Corporation	281,877	(378,961)	(103,465)	74,017	(772,172)
Capital investment*	449,348	494,368	385,489	403,778	294,821
Depreciation*	282,102	325,835	251,839	284,244	259,135
R&D expenditures	554,538	517,913	476,903	527,798	520,217
Free cash flow	404,687	(352,830)	198,674	266,250	(339,893)
* Excluding intangibles					
At year-end (Millions of yen)					
Long-term debt	232,346	651,310	1,028,928	1,162,287	941,768
Total assets	7,443,614	6,403,316	8,358,057	7,822,870	6,601,055
Panasonic Corporation shareholders' equity	3,742,329	2,783,980	2,792,488	2,558,992	1,929,786
Total equity	4,256,949	3,212,581	3,679,773	2,946,335	1,977,566
Number of shares issued at year-end (thousands)	2,453,053	2,453,053	2,453,053	2,453,053	2,453,053
Number of shareholders (persons)	234,532	277,710	316,182	364,618	557,102
Number of consolidated companies (including parent company)	556	540	680	634	579
Number of associated companies under the equity method	139	182	232	114	103

	2008	2009	2010	2011	2012
Per share data (Yen)					
Net income (loss) attributable to Panasonic Corporation per common share					
Basic	132.90	(182.25)	(49.97)	35.75	(333.96)
Diluted	132.90	(182.25)	–	–	–
Dividends declared per share	35.00	30.00	10.00	10.00	10.00
Panasonic Corporation shareholders' equity per share	1,781.11	1,344.50	1,348.63	1,236.05	834.79
Ratios (%)					
Operating profit/sales	5.7	0.9	2.6	3.5	0.6
Income (loss) before income taxes/sales	4.8	(4.9)	(0.4)	2.1	(10.4)
Net income (loss) attributable to Panasonic Corporation/sales	3.1	(4.9)	(1.4)	0.9	(9.8)
ROE	7.4	(11.8)	(3.7)	2.8	(34.4)
Panasonic Corporation shareholders' equity/total assets	50.3	43.5	33.4	32.7	29.2
Payout ratio	26.3	–	–	28.0	–

Notes: 1. The Company's consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

2. Dividends per share reflect those declared by the Company in each fiscal year and consist of interim dividends paid during the fiscal year and year-end dividends paid after the fiscal year-end.

3. In order to be consistent with generally accepted financial reporting practices in Japan, operating profit, a non-GAAP measure, is presented as net sales less cost of sales and selling, general and administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies. See the consolidated statements of operations on page 54.

4. Diluted net income (loss) attributable to Panasonic Corporation per common share after fiscal 2010 have been omitted because the Company did not have potential common shares that were outstanding for the period.

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Taking Full Advantage of the Group's Comprehensive Strength in India

India is fast on its way to becoming a huge market and offers enormous potential. Panasonic is showcasing its comprehensive strength to a broad customer base through a variety of initiatives. In addition to organizing events that allow participants to gain first-hand experience of the Group's products and services in most major cities and regional markets, Panasonic is opening showrooms, strengthening BtoB sales, upgrading and expanding its BtoC product lineup and bolstering sales promotion activities.

Organizing Experience Panasonic Events in India's Four Major Cities

With the aim of providing participants with the opportunity to experience the Company's products and services first-hand, Panasonic held Experience Panasonic events in four major cities including Delhi during fiscal 2012. These events, were designed to showcase Panasonic's focus on the environment, and attracted approximately 180,000 visitors. Among a host of initiatives, the Company displayed its Life Innovation Container, a stand-alone power system that packages Panasonic's energy creation, storage and saving technologies into a single container.



Expanding Products Handled as well as Sales Channels

Panasonic converted Anchor Electricals Private Limited, a major Electrical Construction Materials (ECM) company in India, into a wholly owned subsidiary in 2009. More recently in May 2012, Anchor acquired a major stake of Firepro Systems Private Limited, an integrated solutions provider for fire protection, security and building management systems for both bolstering its sales of BtoB products such as ECM and fire alarms, and expanding its solutions business including installation and maintenance services.



New Showroom Opened in Bollywood

In April 2011, Panasonic opened its second showroom in India at Bollywood, Mumbai, the heart of the Indian film industry. Showcasing Panasonic's wide ranging products and solutions, this facility aims to further expand the Company's BtoB business.



Actively Promoting the Appeal of Popular Beauty and Healthcare Products

The new 50° Hot-Air dryer, one of the many products, designed for the Indian market, was launched by three young actresses who have been selected to promote Panasonic's beauty and healthcare products in India. The Company's wide-ranging promotional initiatives such as roadshows, promotions through mass media and SNSs, are contributing to increased sales.



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Cultivating the Inland Markets of China Based on the A23 Strategy

Panasonic is geared toward promoting an A23 (Attack 2nd and 3rd tier cities) strategy in China in an effort to expand sales.

In addition to China's major cities, which are earmarked as priority markets, the Company will place considerable emphasis on developing business opportunities in regional cities that can be expected to experience future growth.

Panasonic will work diligently to cultivate the China market by opening, upgrading and expanding Panasonic Living Centers, locally oriented stores opened to sell Panasonic products exclusively, while proposing and marketing a range of product groups that provide solutions for the entire home.



Panasonic Living Centers that Harness the Group's Collective Strengths

Panasonic Living Centers handle not only AV products but also the Group's full lineup of products. Panasonic maintained a network of around 350 centers in China as of March 31, 2012.

Looking ahead, the Company will accelerate the pace of new shop openings focusing mainly on inland areas.



The 1st Panasonic Living Centers Convention Held

In June 2011, owners and managers of Panasonic Living Centers were invited to Shanghai for the 1st Panasonic Living Centers Convention. The convention was a forum for Panasonic to exhibit and display its range of new products and to reconfirm the Company's complete sales and marketing activity support.



Holding Sales Meetings as a Forum to Gain First-hand Experience

Panasonic is actively conducting roadshows in each region of China in order to both exhibit its full range of products and promote immediate sales. Meetings are also held to provide participants with first-hand use and experience of the Group's beauty care and cooking appliance products.



Expanding Applications for High Capacity Lithium-Ion Batteries

In terms of their specific energy density, lithium-ion batteries offer approximately three times the level of mass energy density than nickel metal-hydrate rechargeable batteries.

Adopting proprietary safety technologies, Panasonic's products deliver both high capacity and reliability and are accordingly attracting wide acclaim.

While playing a major role in a variety of consumer devices that form the mainstay pillar of the mobile era, Panasonic's products are widely used in other areas including hybrid vehicles and EVs. The Company is also actively promoting broad-based applications for its Energy Creation-storage Linked System in combination with the high-efficiency HIT photovoltaic modules.

Automobiles / scooters



Energy Creation-storage Linked System



Information and communication equipment



Promoting Use in Automobiles and Scooters

Recognized for their high reliability and durability, the decision has been made to employ Panasonic's automotive lithium-ion batteries in over 10 models by five of the world's leading automobile manufacturers. In addition, deliveries are being made for use as electric drive systems in electric scooters.

Putting Forward Energy Creation-storage Linked System Proposals for the Home, Retail Stores, Office Buildings and Factories

Panasonic is putting forward Energy Creation-storage Linked System proposals that combine the Company's HIT photovoltaic modules and lithium-ion batteries in a single unit.

Strengthening Smartphone Measures amid Growing Demand

In addition to their widespread use in notebook PCs, mobile phones and related devices, Panasonic is strengthening the development of lithium-ion batteries for application in smartphones where demand for thinner, higher capacity products continues to increase.

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TOKYO SKYTREE® Lighting up the Evening Sky with All LED Lighting

TOKYO SKYTREE, the newest landmark symbol in Tokyo, opened on May 22, 2012.

Tailored to specific requirements, Panasonic's LED lighting equipment has been adopted at TOKYO SKYTREE. Lighting up the sky on alternate nights with the lighting color of "Iki," a pale blue color representing the spirit nurtured in Edo, and "Miyabi," an elegant Edo purple expressing an aesthetic sense. By adopting LED lighting equipment with excellent power-saving performance significant reductions in energy consumption are attained.

The LED lighting equipment has great durability amid high and tough environments and the lighting system incorporates a control function that manipulates the 1,995 units enabling sophisticated staging effects.

(About the TOKYO SKYTREE®)

Business Operators: TOBU Railway Co., Ltd. & TOBU TOWER SKYTREE Co., Ltd.

Design and Management: Nikken Sekkei LTD.

Lighting Consulting: SIRIUS LIGHTING OFFICE INC.

(Lighting Design & Simulation)

Construction: OBAYASHI CORPORATION

Installation of Lighting Equipment: Denki Kogyo Company, Limited

© TOKYO SKYTREE

*Computer graphic image of the tower

The World's Tallest Free-Standing Broadcasting Tower

TOKYO SKYTREE, the world's tallest free-standing broadcasting tower with a height of 634m, is located in an area that has been an amusement quarter since the Edo era and inherits a history of the development of Tokyo.

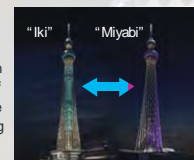


Atmospheric Lighting that Changes on Alternate Nights

TOKYO SKYTREE lights up on alternate nights with the color of "Iki," represented by the pale blue light with the motif of the water of Sumida River, and

"Miyabi," the theme color of Edo purple.

The control of LED lighting equipment in intervals of 1/30th of a second enables the tower to create lighting and color staging programs.



LED Lighting Equipment that Substantially Reduces Power Consumption

TOKYO SKYTREE is designed to use all-LED lights. Compared with the combined use of HID and LED lighting*, the power consumption savings come to approximately 43% and 38% for "Iki" and "Miyabi," respectively.

Power consumption using "Iki" color lighting

Power consumption using "Miyabi" color lighting

Existing light source (HID+LED) 268 kW

Existing light source (HID+LED) 133 kW

LED lighting 153 kW

LED lighting 83 kW

Reduction of approximately 43%

Reduction of approximately 38%

* Panasonic specification under review in 2008: In comparison with HID (high-efficiency ceramic metal halide lamp) with dedicated filter and a portion of LED lighting equipment (chronometer illumination shining over the observation decks and lighting at steel frame joints)



Lighting equipment for the color of "Iki"



Lighting equipment for the color of "Miyabi"



Lighting equipment at steel frame joints

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Providing Comprehensive Solutions at Dalian Best City

China is currently actively engaged in the promotion and planning of so-called smart (eco) cities. With a total site area of 65 km², Dalian Best City is one of the largest of a total 170 projects in progress.

Panasonic is putting forward its comprehensive solutions for this prestigious undertaking. Proposals encompass a wide range of products and services including interior fixtures, lighting, kitchen equipment, air conditioners and ventilation systems underpinned by the concepts of energy conservation, safety and security as well as comfort and convenience. With the intent of constructing a network that links all of the aforementioned, the Company is also promoting the use of its Home Energy Management System (HEMS).

Promoting Construction Using Cutting-Edge Technology at Dalian Best City

The streets of Dalian Best City after first stage construction completion. Residences, office, technology development facilities as well as schools, cultural, sporting and leisure facilities were all constructed using cutting-edge technologies.



Realizing Energy Savings through HEMS

In addition to proposing comprehensive solutions that extend from ideas relating to the effective use of space including interior and lighting fixtures to a variety of electric home appliances, Panasonic is also promoting its HEMS unit to provide an all-encompassing link and network system. Every effort is being made to raise awareness toward energy conservation by putting forward system proposals that help visualize energy consumption and savings.

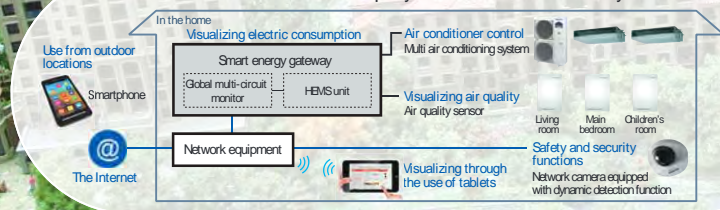


Proposing Japanese High Quality Interior Fixtures and Housing Equipment

The sale of newly constructed condominiums with an exposed concrete finish (skeleton sales) is commonplace in China. Panasonic is putting forward proposals that encompass design, construction through to after-sales service as well as interior fixtures and housing equipment.



Plans to Deliver the Company's HEMS to Dalian Best City



The picture and conceptual drawing are for illustrative purposes only.

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To Our Stakeholders

The Panasonic Group has adopted and continues to focus on the overarching vision of becoming the No. 1 Green Innovation Company in the Electronics Industry, up to the 100th anniversary of its founding in 2018. In fiscal 2011, we launched Green Transformation 2012 (GT12), our three-year midterm management plan, as a first step toward realizing the vision.

In fiscal 2012, the second year of GT12, we worked diligently to transform each business on the basis of three paradigm shift themes. In specific terms this entailed the shift from existing businesses to such new businesses as the environment and energy, from Japan-oriented to globally-oriented, and from individual product-oriented to solutions and systems business-oriented. At the same time, we restructured the Group's organization as a whole including Panasonic Electric Works Co., Ltd. (PEW) and SANYO Electric Co., Ltd. (SANYO), which had become wholly owned subsidiaries.

From a results perspective, business conditions for fiscal 2012 were extremely harsh with a variety of factors including the sluggish demand mainly for digital AV products, historical high yen, and the flooding in Thailand. Under

such business conditions, the Group's performance resulted in a sharp deterioration especially in unprofitable businesses such as TVs and semiconductors. As a result of the aforementioned factors and implementation of large-scale business restructuring initiatives including fixed cost reductions, Panasonic recorded its biggest ever net loss. We deeply feel responsible and regret the anxiety caused to all stakeholders, but would like to assure all concerned that these measures have established the foundation for a Green Innovation Company.

At the conclusion of the Company's Ordinary General Meeting of Shareholders held in June 2012, Fumio Ohtsubo was appointed as Chairman and Kazuhiro Tsuga as President. Under this stewardship and a new organization, every possible effort will be made to bring about a swift performance recovery and the realization of our aforementioned visions.

As we work toward achieving our established goals, we kindly request the continued support and understanding of all stakeholders.

August 2012

A handwritten signature in black ink, reading "F. Ohtsubo".

Fumio Ohtsubo, Chairman (Left)

A handwritten signature in black ink, reading "K. Tsuga".

Kazuhiro Tsuga, President (Right)

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Performance Summary

Report on Fiscal 2012 Results

Record Loss for the Fiscal Year under Review

Operating conditions throughout fiscal 2012, the period from April 1, 2011 to March 31, 2012, were extremely harsh both in Japan and overseas. This was attributable to a variety of factors including disruptions in supply chains affected by the flooding in Thailand.

Under these circumstances, consolidated Group sales for fiscal 2012 decreased by 10% to 7,846.2 billion yen. This decrease in sales was largely owing to poor results in digital AV products including flat-panel TVs and mobile phones. Sales were generally down across all regions. In Japan this in part reflected adjustments in demand after the surge that followed implementation of the government's eco-point stimulus package, while overseas weak results mirrored the downturn in overall economic conditions.

From a profit perspective, and despite

thoroughgoing efforts to streamline raw materials and reduce fixed costs, operating profit totaled 43.7 billion yen, a substantial year-on-year drop of 86%. This largely reflected the impact of the decline in sales, reductions in sales prices, the sharp increase in raw material cost and appreciation of the yen. As a result, the operating profit ratio came in at 0.6%. In the fiscal year under review, Panasonic incurred significant business restructuring expenses totaling 767.1 billion yen. This included early retirement charges and impairment losses for fixed assets and goodwill. Accounting for these factors, the Company reported pre-tax loss of 812.8 billion yen and a net loss attributable to Panasonic Corporation of 772.2 billion yen. These results represented a record loss for the Company. On this basis, ROE was a negative 34.4% while free cash flows deteriorated substantially to negative 339.9 billion yen.

Due to the aforementioned performance, Panasonic was forced to abandon the original targets of its GT12 midterm management plan in fiscal 2013.

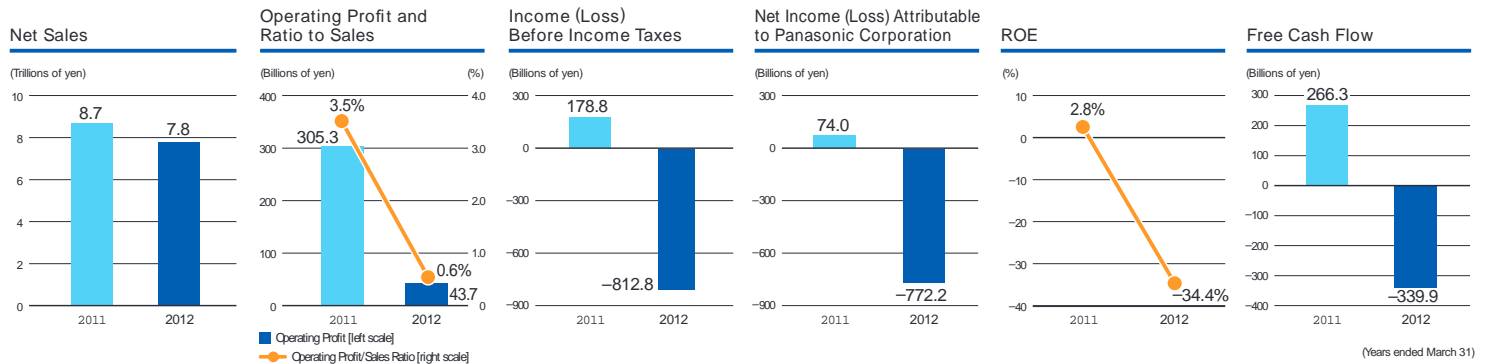
On a positive note, however, Panasonic continued to implement drastic business and organizational restructuring measures throughout fiscal 2012 with the knowledge that its efforts were intended to eliminate factors that have a negative impact on future profits. Thanks largely to these endeavors, the increase in operating profit is now gaining momentum after hitting bottom in the third quarter of fiscal 2012. At the same time, Panasonic completed a Group reorganization on January 1, 2012, including PEW and SANYO which had become wholly owned subsidiaries. Under a new organizational structure, every effort will be made to utilize the full advantage of the Group in fiscal 2013 to achieve a V-shaped recovery.

Returning Profits to Shareholders

Focusing on the Stable Payment of Dividends

Since its foundation, Panasonic has managed its businesses under the concept that returning profits to shareholders is one of its most important policies. Accordingly, the Company has implemented proactive and comprehensive measures in this regard.

Taking into consideration return on the capital investment made by shareholders, Panasonic, in principle, distributes returns to shareholders based on its business performance. In this context, the Company is aiming for stable and continuous growth in dividends, targeting a consolidated dividend payout ratio of between 30% and 40% with respect to consolidated net income attributable to Panasonic Corporation. Despite incurring a record loss in fiscal 2012, Panasonic undertook the payment of an annual dividend of 10 yen per share, unchanged from the previous fiscal year, with an eye to ensuring the stable return of profits to shareholders.



Promoting Business and Organizational Structural Reform

Taking Decisive Action to Improve Profitability Mainly in the Flat-Panel TV and Semiconductor Businesses

Looking at the Company's profit structure by product, Panasonic maintains a substantial number of profitable products. These positive returns are, however, eliminated by the large-scale losses incurred in the flat-panel TV and semiconductor businesses. In order to address this issue, the Company implemented large-scale structural reforms including the consolidation of business sites in fiscal 2012.

Turning to the flat-panel TV panel business, Panasonic took steps to consolidate the manufacture of liquid crystal display (LCD) panels and plasma panels at a single plant for each as a part of efforts to streamline activities toward an optimal scale while balancing revenue and expenditure. At the same time, the Company will shift its focus in the LCD

panel field away from solely TV applications to non-TV applications where Panasonic can better leverage such distinguishing features as super energy saving and omnidirectional wide viewing angles in IPS LCDs, an area of particular strength. In this manner, considerable weight will be placed on lifting the ratio of non-TV applications to close to 50% in fiscal 2013. In the plasma panel field, Panasonic will also work diligently to cultivate non-TV applications including digital signage and electronic whiteboards.

In the flat-panel TV set business, Panasonic will focus on shifting and broadening its activities to encompass a full lineup including large-size screens. To this end, the Company is consolidating its production activities in Japan to certain LCD TV models, utilizing OEM and ODM methods, and expanding overseas panel procurement channels. In its plasma TV activities, Panasonic will concentrate increasingly on high-end large-size models. Energies will be channeled toward lifting the ratio of 50-inch and over TVs from the current level of 40% to

60%. Through these reform measures, the Company will transform its flat-panel TV business to be a highly value added business with light asset.

Panasonic is projecting that approximately 60 billion yen in restructuring benefits will accrue from the flat-panel TV business as a whole in fiscal 2013 as a result of these structural reforms. Together with other measures, the Company is targeting an improvement in profits of around 130 billion yen.

Turning to the semiconductor business, Panasonic took steps to restructure its unprofitable business of systems LSIs. In specific terms, the Company switched from in-house production to outsourcing and fabless (less fabrication facility) operations, and integrated and downsized its R&D structure moving away from its previous decentralized approach. Through these means, Panasonic has successfully shifted its development resources to such growth businesses as image sensors and power semiconductors. Moreover, the Company is promoting the shift toward a lean management

structure by integrating manufacturing sites, focusing on special purposes and downsizing its workforce across the entire semiconductor business as a whole. The Company is endeavoring to improve profitability.

In areas other than its flat-panel TV and semiconductor businesses, Panasonic is implementing a broad spectrum of restructuring initiatives as a part of its overall business reorganization. Especially in business related to SANYO, Panasonic has transferred SANYO's washing machine and household refrigerator businesses in order to eliminate overlap. In addition to optimizing its workforce and operating sites, the Company booked impairment loss for goodwill. In other areas, Panasonic has continued its efforts to strengthen structures and systems by downsizing its workforce. As a result of these endeavors, the Group's total workforce as of the end of fiscal 2012 stood at around 330,000.

In fiscal 2013, Panasonic is forecasting positive effects totaling approximately 130 billion yen to flow from these restructuring measures.

Fiscal 2012 Breakdown of Business Restructuring

(Billions of yen)

Details	Early retirement, integration of facilities etc.	Fixed asset-related	Impairment loss for goodwill etc.	Total
Flat-panel TV business	14.4	267.1	8.4	289.9
Semiconductor business	16.5	50.0	27.0	93.5
Others	116.9	17.2	249.6	383.7
Total	147.8	334.3	285.0	767.1

Promoting Structural Reform in the Flat-Panel TV Business

Plasma Display Panel Business

- P5 factory: Shut off panel production and book impairment loss
- P3 factory: Cancel relocation of equipment to Shanghai

<PDP production capacity> "42" panel (unit)



LCD Panel Business

- Factory in Mobarra: Shut off panel production
- Factory in Hmeji: book impairment loss

TV Set Business

- Transform manufacturing sites in Japan
 - Usunomiya: Innovative Production Center
 - Ibaraki: Panel R&D center

Panel/ TV Set Business

- Downsize workforce

Business Restructuring in the Semiconductor Business and a Shift in Resources

System LSI

- Fabless (less fabrication facility)
 - Outsource
 - Partly book impairment loss

- Integrate and downsize R&D
 - Integrate R&D into head office R&D
 - Partly shift to other business

Concentrate on Growing Business

- Image sensors
 - New products for DSC
 - New technology for mobile device market

- Power semiconductors
 - From appliances to PC/infrastructure products
 - Quadruple R&D workforce of GaN*

* Gallium nitride

- Integrate manufacturing sites and focus on special purposes
- Downsize workforce, etc.

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Shifting to a New Organizational Structure

Building a New Organization that is Capable of Mobilizing the Collective Strengths of the Group

In fiscal 2012, Panasonic undertook steps to reorganize its Group structure into the three business fields of Consumer, Solutions, and Components & Devices comprising nine domain companies and one marketing sector. As opposed to the previous organization structure, which was based on a common R&D platform, the new structure is distinguished by its organization by business model based on the perspectives of customers.

Under this reorganization of its business, Panasonic has established a structure that is linked directly to customers globally. In addition, the reform has introduced a new structure and system enabling Panasonic to demonstrate its collective strengths across business domain companies. This has placed the Group in a more favorable position to promote comprehensive solutions that combine the wide range of products and services handled by each domain company and to advance cross sales of other domain company products. Furthermore, business reorganization enables Panasonic to maximize synergies across the entire Group including the resources of PEW and SANYO focusing mainly on environmental- and energy-related businesses.

Looking ahead, based on competitive individual businesses, Panasonic will provide comprehensive solutions that combine the products and services of these individual businesses, and build a new profitable business model shifting from its past individual product-oriented model.

The configuration of forecast sales and operating profit in fiscal 2013 is presented in the following chart. AVC Networks (AVC), Appliances (AP) and Eco Solutions (ES) are projected to contribute essentially the same level of net sales. Turning to operating profit, all segments are anticipated to turn a profit with substantial contribution from AP.

Achievements through Business Reorganization

Established a business structure enabling direct contact with customers

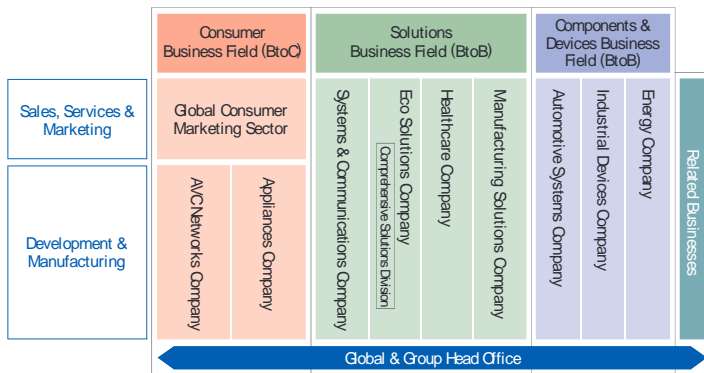
Introduced a horizontal Group-wide business structure

Maximized synergy in individual businesses

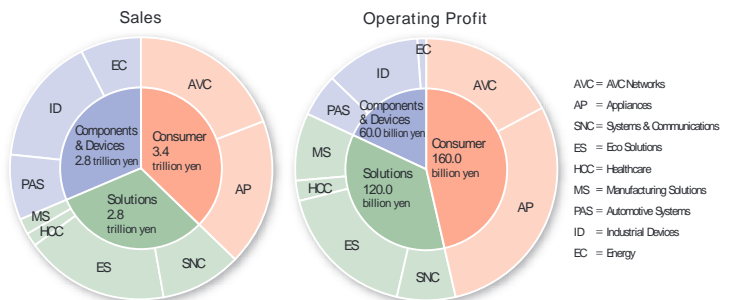
Eliminated overlap and downsized business

Largest-ever transformation

New Group Organization (Nine Domain Companies and One Marketing Sector)



Sales and Operating Profit by Segment (Fiscal 2013 Forecast)



Notes

1. Total is a simple summation of all single segments.

2. HCC and MS are business domain company consolidated base

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Fiscal 2013 Forecasts

Please refer to the Panasonic Group Fiscal 2013 Business Policy announced on May 11, 2012.

Pursuing Increased Earnings in Growth Businesses as a Part of Efforts to Achieve a V-shaped Performance Recovery

Panasonic has positioned fiscal 2013 as a year in which it must show ever greater performance. In addition to promoting ongoing measures aimed at rebuilding underperforming business, the Company will pursue increased earnings in such growth fields as the solar, lithium-ion battery, and appliances businesses.

Complementing these initiatives, Panasonic will continue to create strong BtoB businesses. In similar fashion to the aircraft in-flight entertainment systems business, every effort will be made to consistently deliver high value at both the product and service levels. Across the business domain companies of Panasonic, the Company will further reinforce comprehensive

solutions businesses that create new value. Moreover, Panasonic will adhere strictly to a policy of cost cutting across the Group and improve its profit structure in order to bolster its management structure. In specific terms, efforts will include cost cuts through optimization of procurement activities on a global scale, steps to secure the positive effects of structural reform, and rationalization of fixed costs based on Group-wide emergency management measures. Through these means, Panasonic aims to lower the break-even point by 7% in fiscal 2013. Accounting for each of the aforementioned endeavors, Panasonic is targeting sales of 8,100 billion yen in fiscal 2013, an increase of 3% year on year, operating profit of 260 billion yen, up 216.3 billion yen compared with fiscal 2012, and net income attributable to Panasonic Corporation of 50 billion yen, a year-on-year turnaround of 822.2 billion yen. In this manner, the Company plans to achieve a V-shaped performance recovery.

Fiscal 2013 Financial Forecast

	Fiscal 2013 Forecasts	Compared with Fiscal 2012/Change
Sales	8,100.0 bil.yen	+3%
Operating profit (%)	260.0 bil.yen (3.2%)	+216.3 bil.yen
Net income attributable to Panasonic Corporation (%)	50.0 bil.yen (0.6%)	+822.2 bil.yen
RCE	2.6%	—
Free cash flow	100.0 bil.yen	+439.9 bil.yen
CO ₂ emission reduction	(vs Fiscal 2006)* 41.00 mil.tons	+0.63 mil.tons

* Reduction compared with the estimated amount of emissions in fiscal 2013 assuming that no remedial measures were taken since fiscal 2006

Growing Businesses—Major Measures and Fiscal 2013 Targets

1. Solar Business

- Target the residential sector where the benefits of highly efficient HIT solar panels can be fully utilized
- Make the fullest use of the Group's sales channels in Japan where rapid growth is expected
- Establish and commence operations at a new solar panel manufacturing facility in Malaysia in December 2012, while significantly bolstering supply capacity and cost competitiveness
- Pursue business competitiveness through an Energy Creation-storage Linked System

Fiscal 2013 targets

- Secure sales of 450 megawatts or more, 1.6 times the previous fiscal year
- Capture the top market share in Japan

2. Lithium-Ion Battery Business

- Consumer-use
 - Focus on boosting cost competitiveness by increasing materials procurement in China and South Korea, manufacturing high-capacity batteries using proprietary technologies, and speeding up development and customer support
 - Reinforce proposals in such growth markets as ultrabook PCs and smartphones
 - Commenced operations at the new plant in Suzhou, China in July 2012; enhance cost competitiveness
- Automotive-use
 - Capitalize on the Company's competitive advantage as a leading battery manufacturer to aggressively expand sales while maximizing production capacity and cost competitiveness

Fiscal 2013 targets

- Consumer-use/automotive-use: Return to profit
- Automotive-use: secure a year-on-year five-fold or more increase in sales

3. Appliances Business

- Create locally-oriented products based on studies of local lifestyle research centers, launch energy-efficient ECO NAVI products in the global market, and offer small appliances as groups of products in order to expand global sales
- Introduce several No. 1 eco performance volume high-volume segment products in newly emerging countries including China in home appliances including room air conditioners, refrigerators, and washing machines
- Accelerate global BtoB business development by such activities as promoting the large-sized air conditioning business in Europe and the U.S.

Fiscal 2013 targets

- 20% year-on-year increase in overseas sales

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Interview with the New President

Channeling Our Energies toward the Pursuit of Customer Value and Becoming a Highly Profitable Company

Kazuhiro Tsuga was appointed as President of Panasonic Corporation at the Company's Ordinary General Meeting of Shareholders in June 2012. Here, Mr. Tsuga outlines the Group's direction and ideal image going forward.



Kazuhiro Tsuga

Born in Osaka in 1956. 55 years of age. Graduate of the Division of Biophysical Engineering, School of Engineering Science, Osaka University. Entered Panasonic Corporation, then known as Matsushita Electric Industrial Co., Ltd., in 1979. Completed a Master's degree in computer science at the University of California, Santa Barbara in 1986. Thereafter held the positions of Director, Multimedia Development Center, President, Panasonic Automotive Systems Company; President, AVC Networks Company; and Senior Managing Director, Panasonic Corporation. Appointed as Representative Director and President, Panasonic Corporation on June 27, 2012.

Q What are your thoughts on the Company's current status?

A I am filled with a strong sense of crisis.

Since April, I have visited as many business domains and divisions as possible. These visits allowed me to reconfirm the considerable strengths of our frontline. Panasonic is blessed with a large number of outstanding people. I do not believe that our technologies or our passion lag behind those of other companies.

Despite these attributes, we have failed to translate these qualities into concrete results. Accordingly, our current status is one of deep crisis. It is vital that we focus on profitability and return to being a normal company in terms of our financial footings and performance as quickly as possible. If we fail to act now, we will lose our standing in the eyes of the world.

Q What do believe is required to break free from these current circumstances?

A Put simply, we must thoroughly pursue customer value.

Our most pressing priority must be to return the basics and thoroughly pursue customer value. Panasonic's DNA is to focus on its customers. Looking at our current performance, however, Panasonic is not always able to see the needs of customers and I am concerned that we are not able to serve them thoroughly.

At this point, we will therefore adhere strictly to the pursuit of customer value. As a first step, we will work to generate profits by eliminating anything that does not generate customer value.

Pursue Customer Value

Return to the basics

- Focus on customers
- Make people central to all of our activities

Eliminate anything that does not generate customer value

Energize individual businesses

Review Head Office functions

Q Can you please explain to us in more specific terms exactly what you mean by pursue customer value?

A In specific terms, we will energize individual businesses and reform head office functions.

Our notebook PC business undertaken by the AVC Networks Company and businesses in the Manufacturing Solutions Company are able to see their customer needs globally, and fully meet them. Their business operations are being vigorously carried out and they are realizing high performance. In moving forward, we will ensure that all of our businesses follow this model example.

As one step in this endeavor, we will reform Head Office functions. We will separate the business promotion support function from our Head Office and set up the Professional Business Support Sector to

focus increasingly on the frontline. Working together with business domains and units engaged in individual activities, we will build a structure that gives its full and undivided attention to customers. The new Head Office function will therefore be streamlined, focusing on corporate strategy and investment. From this perspective, Head Office, dealing with capital markets, will formulate and promote Group strategy and carry out our business portfolio management.

Q What direction will business development take in the future?

A We will provide Eco & Smart Solutions that focus entirely on customers.

We would like to pursue a dream with our customers. We will therefore pursue

businesses that are useful to customers while promoting mutual growth. By serving and helping our customers we will aim to become a highly profitable company.

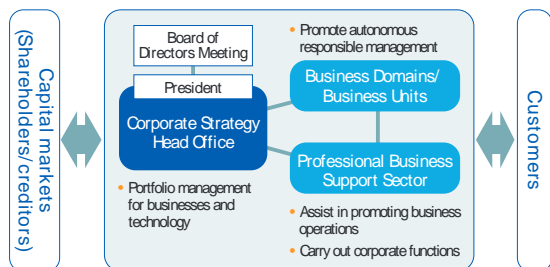
Panasonic handles a wide range of products. Rather than follow a product-based focus, I am confident that we will be better served by adopting a customer-based focus under which we clarify who our customers are and what usefulness we can bring by narrowing the spaces of our business activities. For example, I see the Company providing the most benefit in the four; residential space; non-residential space including offices, factories, stores and hospitals; mobility encompassing automobiles and aircraft; and personal. In this regard, we will make people, or in other words customers, central to all of our activities.

In each space emphasizing Eco & Smart solutions, we will work to find solutions to customers' problems in BtoB businesses, and provide a sense of security, comfort and excitement in BtoC businesses.

As we work toward thoroughly pursuing customer value, I am convinced that we will bring to fruition our overarching vision of becoming a Green Innovation Company in the lead up to our 100th anniversary of foundation in 2018.

We will do our utmost to rejuvenate the Company and ask for your continued support and understanding.

New Head Office (image)



Toward Making Proposals for Customer Value



Messages from Senior Executive

This section introduces comments from the presidents of Panasonic's nine business domain companies and the director of the Global Consumer Marketing Sector that comprise its three business fields based on customers' perspectives. [Please refer to the materials issued for Panasonic IR Day held on May 23, 2012.](#)

Consumer Business Field

President, AVC Networks Company

Mamoru Yoshida [➡ page 18](#)



President, Appliances Company

Kazunori Takami [➡ page 18](#)



Director, Global Consumer Marketing Sector

Yoshiiku Miyata [➡ page 19](#)



Solutions Business Field

President, Systems & Communications Company

Toshiyuki Takagi [➡ page 19](#)



President, Eco Solutions Company

Shusaku Nagae [➡ page 20](#)



President, Healthcare Company

Kenji Yamane [➡ page 20](#)



President, Manufacturing Solutions Company

Yoshiro Takemoto [➡ page 21](#)



Components & Devices Business Field

President, Automotive Systems Company

Masahisa Shibata [➡ page 21](#)



President, Industrial Devices Company

Toshiaki Kobayashi [➡ page 22](#)



President, Energy Company

Masato Ito [➡ page 22](#)



Consumer Business Field

AVC Networks Company



Mamoru Yoshida, President

PROFILE

- Apr. 2009 Executive Officer of the Company
 Apr. 2011 Director, Display Network Products Business Group, AVC Networks Company (current position)
 Apr. 2012 Managing Executive Officer of the Company / President, AVC Networks Company (current positions)
 Jun. 2012 Managing Director of the Company (current position)

Overview of the Business Domain

Name: AVC Networks Company
 Headquarters Location in Japan: Kadoma
 Business Activities: Development and manufacture of consumer AVC equipment, as well as development, manufacture, servicing, and solutions sales of business-use AVC equipment and devices/components for AVC equipment
 URL: <http://panasonic.net/corporate/segments/avc/>

Bolstering global competitiveness through customer-oriented businesses

The AVC Networks Company globally engages in the promotion of such BtoC businesses as TVs, Blu-ray recorders, digital cameras and audio equipment as well as BtoB businesses including notebook PCs, in-flight entertainment systems and projectors.

Every effort is being made to promote a policy of selection and concentration for existing business in the current fiscal year with a focus on profitability. Striving to cultivate new businesses, the AVC Networks Company is fusing its core technologies with IT to build next-generation business pillars. Working to address key priority issues, the company is seeking to improve profitability and realize growth potential.

In its existing business activities, the AVC Networks Company is shifting its main business fields from developed to emerging markets. Emphasis is being placed on developing and manufacturing products that meet the local needs in the markets of Asia, a region that continues to enjoy marked growth. Moving forward, the company will pursue continued expansion commensurate with earnings.

Turning to its new business activities, the company is looking to actively fuse its proprietary core technologies with IT with the aim of creating new customer value. We, as a manufacture, are sustainably and interactively linking with customers. By putting forward customer-oriented proposals and delivering total support, the company is enhancing people's daily lives while contributing to business growth.

Appliances Company



Kazunori Takami, President

PROFILE

- Apr. 2006 Executive Officer of the Company
 Apr. 2008 Managing Executive Officer of the Company
 Apr. 2009 President, Home Appliances Company
 Jun. 2009 Managing Director of the Company
 Jan. 2012 President, Appliances Company (current position)
 Apr. 2012 Senior Managing Director of the Company (current position)

Overview of the Business Domain

Name: Appliances Company
 Headquarters Location in Japan: Kusatsu
 Business Activities: Development and manufacture of home appliances, air conditioners, personal-care products, health enhancing products, etc. Development, manufacture and sales of commercial-use heating/refrigeration/air-conditioning equipment, etc. In addition, development, manufacture and sales of related devices/components
 URL: <http://panasonic.net/corporate/segments/ap/>

Pursuing further growth by accelerating the global development of BtoC products and expanding BtoB businesses

The Appliances Company was formed through the integration of the Home Appliances Company of Panasonic, PEW's beauty & grooming and health products businesses, and SANYO's large-sized air-conditioning system and cold chain equipment businesses. The company is developing BtoC products for the global market, which continues to experience growth, expanding BtoB businesses, which include such products as equipment, components and devices, and bolstering manufacturing capabilities, which provide the underlying strength of robust products.

In India, Brazil and Vietnam, the company is reinforcing high-volume segment product development as well as its production structure. We are placing equal emphasis on promoting locally driven business growth. At the same time, we are advancing the global sale of our three mainstay air-conditioners, refrigerators and washing machines equipped with the ECO NAVI function, which automatically save electricity depending on the mode of use. Regarding products not currently handled by Chinese and Korean manufacturers, the company is building on its beauty & grooming, health and small kitchen appliance product strengths. Product group marketing is based on a unified concept with the aim of solidifying the brand.

In the BtoB business market, we are accelerating large-sized air-conditioning systems, cold chain equipment and other product global development. We are also expanding new businesses, including household fuel cell cogeneration systems and electric vehicle-related components and devices.

Consumer Business Field

Global Consumer Marketing Sector



Yoshiiku Miyata, Director

PROFILE

Apr. 2007 Executive Officer of the Company
 Apr. 2009 Managing Executive Officer of the Company
 Apr. 2011 Senior Managing Executive Officer of the Company
 Jun. 2011 Senior Managing Director of the Company (current position)
 Jan. 2012 Director, Global Consumer Marketing Sector (current position) / In charge of Design (current position)

Overview of the Sector

Name: Global Consumer Marketing Sector
 Headquarters Location in Japan: Osaka
 Business Activities: Marketing, sales and servicing of consumer products

Strengthening product planning capabilities and adopting a PULL strategy to expand business globally

The Global Consumer Marketing Sector is responsible for the central marketing, sales and servicing of consumer products worldwide. The Sector was established with the aim of expanding sales by bolstering structures and systems by individual product groups and increasing productivity by enhancing operating efficiency.

Strengthening product planning capabilities while adopting a PULL strategy lie at the heart of the Sector's existence and purpose going forward. In addition to grasping customer needs and serving as a conduit that channels customers' thoughts and expectation to each business domain, the Global Consumer Marketing Sector will put forward solutions that help ensure continuous customer use of the Company's products and services. Moreover, the Sector will market the appeal of Panasonic products directly to end-consumers with a view to generating sales. In this regard, steps will be taken to promote a PULL strategy that enhances brand awareness. The Global Consumer Marketing Sector will particularly focus on substantially boosting advertising overseas.

The Sector will work diligently to expand the consumer business in an overseas market that includes the three emerging regions of India, Brazil and China, the Association of Southeast Asian Nations, as well as countries surrounding India and the African continent, and the U.S. and Japan, all of which are identified as strategic markets.

Solutions Business Field

Systems & Communications Company



Toshiyuki Takagi, President

PROFILE

Apr. 2011 Executive Officer of the Company (current position) / Senior Vice President, AVC Networks Company
 Jun. 2012 President, Systems & Communications Company (current position) / President, Panasonic System Networks Co., Ltd. (current position)

Overview of the Business Domain

Name: Systems & Communications Company
 Headquarters Location in Japan: Tokyo
 Business Activities: Development, manufacture, sales and service engineering of electric, communication and electronic machinery & equipment related to systems, networks, and mobile communications

Developing a global solutions business that focuses mainly on the security, communication, AV and IT fields

In addition to linking a variety of products through networks, the Systems & Communications Company is actively engaged in a solutions business that delivers systems integration (SI) through to construction, maintenance and related services.

Placing the utmost emphasis on addressing customer needs, the company is putting forward high value-added proposals that combine its broad spectrum of product groups that draw on the accumulated image processing and communications technologies nurtured by the mainstay security and communications businesses with the technologies and product lineups of the AVC Networks Company.

At the same time, the Systems & Communications Company is accelerating the pace of solutions business development globally by bolstering its solutions sales structures in Japan, the U.S., Europe, Asia and China.

Looking ahead, every effort will be made to promote energy and electric power conservation solutions while building a business that is capable of raising its level of contribution to customers.

Financial Highlights	Highlights	To Our Stakeholders	Performance Summary	Top Message	Segment Information	R&D	Design Development	Intellectual Property	Environmental Activities	Corporate Governance	Financial and Corporate Data
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| ☐ Interview with the New President | ☒ Messages from Senior Executive |

Solutions Business Field

Eco Solutions Company



Shusaku Nagae, President

PROFILE

Jun. 2010 President, Panasonic Electric Works Co., Ltd.
 Apr. 2011 Senior Managing Executive Officer of the Company
 Jan. 2012 In charge of Solutions Business (current position) / President, Eco Solutions Company (current position)
 Jun. 2012 Executive Vice President of the Company (current position) / In charge of Corporate Division for Promoting Energy Solution Business (current position)

Overview of the Business Domain

Name: Eco Solutions Company

Headquarters Location in Japan: Kadoma

Business Activities: Development, manufacture and sales of lighting products, wiring devices, distribution panelboards, housing equipment and materials, ventilation fan systems, as well as the provision of related maintenance services, installation engineering and comprehensive solutions.

URL: <http://panasonic.net/es/>

Promoting solutions globally that provide a wide range of products

The Eco Solutions Company strives to provide pleasant living environments that combine comfort with eco-consciousness, where people around the world can live comfortably while reducing environmental loads. Guided by this business vision, the company will increase sales of environmental-and-energy-related products, accelerate global business growth, and create concrete ideas for the comprehensive solutions business that obtain tangible results.

The Eco Solutions Company will place emphasis on accelerating solutions businesses including the LED lighting, and the energy-saving and energy management businesses globally and putting forward proposals around the world as well as further improving the profitability of its businesses in Japan. By providing the Panasonic Group's broad range of products and leveraging its solutions capabilities, the Eco Solutions Company will help resolve customers' problems and build sustainable and long-term relationships.

Playing a central role in the Group, the Eco Solutions Company is pushing forward a project to create 100 business models in the comprehensive solutions business. In this regard, and while leveraging the strengths of the entire Group, the company is promoting the development of Corporate Projects including smart city projects in Tianjin and Dalian in China, and Fujisawa in Japan.

Healthcare Company



Kenji Yamane, President

PROFILE

Apr. 2008 President, Panasonic Shikoku Electronics Co., Ltd.
 Jan. 2012 President, Healthcare Company (current position) / President, Panasonic Healthcare Co., Ltd. (current position)
 Apr. 2012 Executive Officer of the Company (current position)

Overview of the Business Domain

Name: Healthcare Company

Headquarters Location in Japan: Tokyo

Business Activities: Medical Instrument/development, production, sale and service related to Nursing Care Equipment/Nursing Care Services

URL: <http://panasonic.net/corporate/segments/hcc/>

Providing global solutions in each of the medical and nursing-care fields while endeavoring to realize affordable healthcare

The Healthcare Company has taken over the healthcare-related businesses previously operated by PEW and SANYO as well as Panasonic Healthcare Co., Ltd. Recognizing this initiative as a rare opportunity to provide affordable healthcare to a great many people, the company will service the needs of home through to hospital. Specifically, the company's activities encompass the three broad fields of In-Hospital Work Assistance, in which efforts are made to increase the efficiency of medical operations, Home Healthcare, where the company harnesses the Group's established expertise in providing nursing-care services as well as manufacturing and marketing nursing-care and welfare-related equipment, and Early Diagnosis and Treatment, where energies are channeled toward illness diagnosis support through blood glucose monitoring and ultrasound diagnosis.

Moving forward, the Healthcare Company will accelerate the development of new products in the in-hospital work assistance and other fields. The company will also coordinate with other domain products and technologies including image display and processing as well as communications to provide solutions for the entire clinical and pharmaceutical fields. Moreover, consideration will be given to alliances with other companies in an effort to further enhance medical expertise.

Solutions Business Field

Manufacturing Solutions Company



Yoshiro Takemoto, President

PROFILE

Apr. 2004 President, Panasonic Corporation of North America / President, Panasonic AVC Networks Company America

Apr. 2008 President, Panasonic Factory Solutions Co., Ltd. (current position)

Jan. 2012 President, Manufacturing Solutions Company (current position)

Apr. 2012 Executive Officer of the Company (current position)

Overview of the Business Domain

Name: Manufacturing Solutions Company

Headquarters Location in Japan: Toyonaka

Business Activities: Development, manufacture, sales and service of mounting-related machines for electronic-components, device-related systems, welding equipment, laser oscillators, etc.

Comprehensively strengthening existing businesses, setting up new businesses and contributing broadly to manufacturing

The Manufacturing Solutions Company supports customers in their manufacturing activities by putting forward wide-ranging solutions that combine mounting, joining and processing. While upgrading and expanding its mainstay product lineup, including electronic component mounting machinery, welding equipment, and robots, as well as related technologies, the company will set up new businesses and strive to secure the leading global share in industrial equipment.

In the manufacturing facilities field, which includes mounting machinery- and welding equipment-related systems, the Manufacturing Solutions Company will place considerable weight on the development and sales of consumables essential in the use of equipment and products that help improve equipment processing capacity. In this manner, every effort is being made to comprehensively strengthen existing businesses. In addition, the company will bolster bases in the massive market of China, expand production at the point of consumption. At the same time, the company will channel its energies toward establishing new bases in India, which is expected to enjoy growth, going forward. These and other measures will help reinforce local manufacturing capabilities.

In the field of new business development, the Manufacturing Solutions Company will nurture sales businesses that encompass materials, consumables, and software based on the concept of comprehensive solutions.

Components & Devices Business Field

Automotive Systems Company



Masahisa Shibata, President

PROFILE

Jul. 2005 President, Panasonic Automotive Systems Europe GmbH / President, Panasonic Automotive Systems Czech, s.r.o.

Jun. 2008 President, Panasonic Automotive Electronics Co., Ltd.

Apr. 2011 Executive Officer of the Company (current position) / President, Automotive Systems Company (current position)

Overview of the Business Domain

Name: Automotive Systems Company

Headquarters Location in Japan: Yokohama

Business Activities: Development, manufacture and sales of car-use-multimedia-related equipment, eco-car-related equipment, electrical components, etc.

URL: <http://panasonic.net/corporate/segments/pas/>

Applying the Panasonic Group's environmental technologies to in-car systems and contributing to innovative automobile manufacturing

Contributing to the creation of a new vehicle and a new motoring society through electronics is the overarching vision of the Automotive Systems Company. In this regard, the company is endeavoring to address the needs for more comfortable, more environmentally-conscious, and safer vehicles. At the center of these endeavors are the global multimedia and new business fields. As a part of its global multimedia activities, the Automotive Systems Company is working to address new needs. The company is getting the jump on its rivals by bringing in-car Display-Audio and navigation systems to the market that allow drivers to use smartphones within the vehicle. In its new business activities, the Automotive Systems Company is focusing on the development of systems for eco-cars that leverage the Group's accumulated expertise in home appliance environmental technologies. In addition to actively promoting power management system, heat management system, and other system proposals to automobile manufacturers, the Automotive Systems Company will engage in activities aimed at acquiring orders worldwide.

Looking ahead, the company will contribute to the manufacture of new vehicles as well as the increasingly widespread use of eco-cars by delivering products and services that harness the Group's technology assets and are unique to Panasonic.

Components & Devices Business Field

Industrial Devices Company



Toshiaki Kobayashi, President

PROFILE

Apr. 2007 Executive Officer of the Company / President, Panasonic Electronic Devices Co., Ltd.

Apr. 2010 Managing Executive Officer of the Company (current position)

Jan. 2012 President, Industrial Devices Company (current position) / Director, Electronic Components and Materials Business Group, Industrial Devices Company (current position)

Overview of the Business Domain

Name: Industrial Devices Company
 Headquarters Location in Japan: Kadoma
 Business Activities: Development, manufacture and sales of electronic components, electronic materials, semiconductors, optical devices, etc.
 URL: <http://panasonic.net/id/>

Harnessing the Group's wealth of technologies and products to create new customer value

The Industrial Devices Company was formed following the integration of the components and devices related businesses of Panasonic, PEW and SANYO. The ability of the company to operate as an industrial device manufacturer in a broad business domain as well as cover a wide range of products and technologies in such fields as electronic components, electronic materials, semiconductors, automation control and optical devices, are both qualities rarely found anywhere else in the world.

Positioning the three growth mobile, eco-car and environmental infrastructure fields at the heart of its operations, the Industrial Devices Company works to create and strengthen businesses as mainstay pillars of the company. Moreover, the Industrial Devices Company will endeavor to strengthen the competitiveness of its products by fusing together the core technologies developed over many years by Panasonic, PEW, and SANYO, and creating new customer value through a variety of solutions.

The Industrial Devices Company, which caters to the needs of business customers, recognizes the need to secure a top market share in each individual product. Moving forward, the company will substantially increase the ratio of top market share product groups to total product sales. In this manner, every effort will be made to become the world's leading industrial device company.

Energy Company



Masato Ito, President

PROFILE

Jun. 2010 Senior Vice President, SANYO Electric Co., Ltd.

Apr. 2011 Executive Officer of the Company (current position) / President, Energy Company (current position)

Jan. 2012 President, SANYO Electric Co., Ltd. (current position)

Overview of the Business Domain

Name: Energy Company
 Headquarters Location in Japan: Moriguchi
 Business Activities: Development, manufacture and sales of primary and secondary batteries, chargers, battery application products and solar-related products
 URL: <http://panasonic.net/ec/>

Honing technologies and products as growth engines of the Group

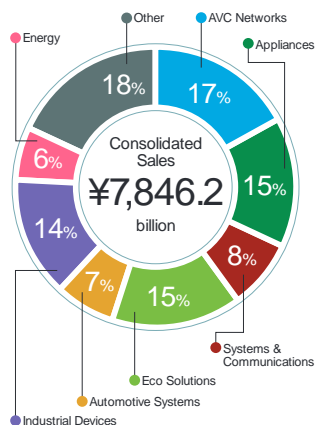
As a key growth engine, the Energy Company plays a pivotal role in driving forward the Group's overarching growth strategy which entails expanding environment- and energy-related businesses. With a large proportion of mainstay products geared to the business customer market, each division is more easily lending a direct ear to customers and advancing optimal product proposals that quickly address customer needs by integrating the development, manufacturing and sales functions.

In the growth fields of solar photovoltaic systems and lithium-ion batteries, which are experiencing increasingly intense competition, the Energy Company is securing earnings and overcoming its rivals by strategically concentrating management resources in areas where the company is able to excel. At the same time, the company is distinguishing itself from its competitors in the aspects of product performance, safety, reliability, and cost competitiveness. Taking full advantage of the Group's black-box technologies, manufacturing capabilities, and customer base, the Energy Company is further promoting the globalization of its business in order to meet the needs of its worldwide customers in a timely manner. For example, the company has plans to engage in comprehensive production of lithium-ion batteries and to enhance the cost competitiveness of its products at its new Suzhou Factory in China, which commenced production in July 2012.

Through these activities, the Energy Company plans to maintain its leading global position in the energy business field.

Business at a Glance

Percentage of Fiscal 2012 Sales



Notes: 1. Sales composition for each segment includes intersegment transactions.
2. The Company restructured its Group organization on January 1, 2012, resulting in the number of reportable segments from six to eight. Accordingly, segment information for fiscal 2010 and 2011 have been reclassified to conform to the presentation for fiscal 2012.
3. Other segment consists of Healthcare Company, Manufacturing Solutions Company, PanaHome Corporation and others.
4. SANYO Electric Co., Ltd. (SANYO) and its subsidiaries became consolidated subsidiaries of Panasonic in December 2009. The operating results of SANYO and its subsidiaries prior to December 2009 are thus not included in Panasonic's consolidated financial statements.

Segment	Main Products and Services (As of March 31, 2012)	Sales (Years ended March 31)	Segment Profit (Years ended March 31)
AVC Networks See p. 24	LCD and Plasma TVs, digital cameras, Blu-ray Disc and DVD recorders, PCs, optical disc drives, home audio equipment, aircraft in-flight entertainment systems, etc.	(Trillions of yen) 2010: 1.71, 2011: 1.71, 2012: 1.71	(Billions of yen) Profit/sales ratio (%): 2010: 4.0%, 2011: 4.0%, 2012: -67.8%
Appliances See p. 26	Air conditioners, washing machines and clothes dryers, refrigerators, compressors, electric hot water supply equipment, sanitary equipment, microwave ovens, dish washer/dryers, rice cookers, vacuum cleaners, showcases, electric motors, personal-care products, etc.	2010: 1.53, 2011: 1.53, 2012: 1.53	2010: 81.5, 2011: 5.3%, 2012: 5.3%
Systems & Communications See p. 27	Mobile phones, communication network equipment, security network equipment, business systems equipment, social infrastructure systems equipment, etc.	2010: 0.84, 2011: 0.84, 2012: 0.84	2010: 17.3, 2011: 2.1%, 2012: 2.1%
Eco Solutions See p. 29	Lighting fixtures and electric lamps (including LED lighting), wiring devices, interior furnishing materials, modular kitchen systems, water-related products, ventilation and air-conditioning equipment, air purifiers, etc.	2010: 1.53, 2011: 1.53, 2012: 1.53	2010: 58.9, 2011: 3.9%, 2012: 3.9%
Automotive Systems See p. 30	Car-use-multimedia-related equipment (car AVC equipment, car navigation systems, etc.), eco-car-related equipment, electrical components, etc.	2010: 0.65, 2011: 0.65, 2012: 0.65	2010: 4.9, 2011: 0.8%, 2012: 0.8%
Industrial Devices See p. 31	Electronic components (capacitors, circuit boards, circuit components, electromechanical components, custom components, automation controls), semiconductors, optical devices, electronic materials, etc.	2010: 1.40, 2011: 1.40, 2012: 1.40	2010: 16.6, 2011: 1.2%, 2012: 1.2%
Energy See p. 33	Solar photovoltaic systems, lithium-ion batteries (consumer and in-car use), dry batteries, etc.	2010: 0.61, 2011: 0.61, 2012: 0.61	2010: 20.9, 2011: 3.4%, 2012: 3.4%
Other See p. 34	Healthcare equipment and services, electronic-components-mounting machines, industrial robots, welding equipment, detached housing, rental apartment housing, land and buildings for sale, home remodeling, imported materials and components, bicycles, etc.	2010: 1.88, 2011: 1.88, 2012: 1.88	2010: 23.6, 2011: 1.3%, 2012: 1.3%

Financial Highlights	Highlights	To Our Stakeholders	Performance Summary	Top Message	Segment Information	R&D	Design Development	Intellectual Property	Environmental Activities	Corporate Governance	Financial and Corporate Data
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☐ Business at a Glance
 ☒ Business Review and Strategies
 ☐ Overseas Review by Region

AVC Networks

Fiscal 2012 Results (Fiscal 2011 results are in brackets)



In its digital AV networks business, Panasonic provides imaging equipment such as flat-panel TVs, AVC network equipment including Blu-ray Disc recorders, digital cameras and notebook PCs as well as in-flight entertainment (IFE) systems, projectors and other business-use AV equipment. As digital AV products are increasingly commoditized, the Company is focusing on proposals that deliver clearly defined value to customers drawing on its accumulated technological capabilities and the strength of its BtoC and BtoB customer base. At the same time, Panasonic is engaged in such wide ranging activities as the creation of new cloud technology-based businesses.

Digital AVC

Engaging in High Value-Added Flat-Panel TV Development

In addition to the strong yen, the business environment in the flat-panel TV market continued to be harsh due to such factors as intense price competition and a decline in demand following the shift to terrestrial digital broadcasting in Japan. Against this backdrop, Panasonic took steps to reform its manufacturing operation, placing greater emphasis on earnings as opposed to volume. As a result, unit sales fell to 17.52 million

units, down around 2.5 million units year on year. Net sales also declined below 70% of the level recorded in the previous fiscal year. (Please refer to [page 12](#) for details and the 'Performance Summary' with regard to business reforms).

In an effort to add higher value to global TV markets, Panasonic introduced VIERA Connect, a cloud-based Internet service that offers such diverse functions as a health management application that links exercise equipment to online services. In addition, the Company took steps to tap into high volume markets. Drawing on its lifestyle research in India, Panasonic released two new VIERA models designed to address local concerns regarding maximum sound volume, energy saving, and USB moving image playback.

As a leader in high-definition display technology, the Company developed a 20-inch IPS Alpha LCD panel, the world's smallest*1 as a 4K2K-resolution display in January 2012. This panel has the world's highest*1 pixel density of 216 pixels per inch and a thickness of only 3.5mm, the thinnest in the world*1. A prototype was unveiled at the 2012 International CES in the U.S.

Looking ahead, Panasonic will continue to deliver high value-added products in its Smart VIERA lineup that depict the five pillar concepts of picture quality, easy operation, networking, eco, and design. In LCD TVs, the Company will employ competitor panels and bolster its lineup of 40-inch

Strong Expectations that the World's Smallest, Thinnest, High-Resolution LCD Panels Will Be Used Across Wide-Ranging Fields



The 20-inch 4K2K IPS Alpha LCD panel delivers significant energy savings and a wide viewing angle. Harnessing this product's strengths as the world's thinnest and smallest high-resolution 4K2K display, Panasonic will pursue medical, commercial and other applications where the need for high quality is at a premium.

or more products while further lifting the ratio of 50-inch or more high value-added models in its plasma TV activities. Moreover, efforts will be made to identify other panel applications including those for medical and educational use with the aim of boosting earnings.

*1 As of January 10, 2012. As a 4K2K-resolution display.
Source: Panasonic

DIGA Series of Blu-ray Disc Recorders Maintains Its Top Global Market Shares

The Blu-ray Disc recorder market in Japan has been impacted by the termination of analog broadcasting services resulting in the trend toward recording equipment digitization gathering pace. Driving the market forward, Panasonic ensured that all models within its lineup were 3D-compatible and introduced a new product equipped with the world's first triple tuner. Through these means, the Company enjoyed an increase in unit sales while maintaining its leading market share. However, sales were unchanged compared with the

The Premium DMR-BZT9000 Model Offering High-Quality Picture and Sound



Panasonic has significantly reduced noise and vibration helping to suppress unnecessary oscillation by using a highly rigid and streamlined body. The Company is maximizing the untapped potential of its Blu-ray Disc recorders to deliver high quality pictures and sound.

previous fiscal year due to the decline in prices.

Anticipating a persistently harsh operating environment, Panasonic will aim to retain its top position by continuing to upgrade and expand its product lineup including products with built-in Wi-Fi*2.

*2 Wi-Fi is a registered trademark of the Wi-Fi Alliance.

Despite the Poor Performance of Compact Digital Cameras, Robust Results in Digital Interchangeable Lens Cameras

Despite continued growth in developing countries, demand for compact digital cameras declined due mainly to the extensive use of smartphones in developed countries and lengthening replacement cycle. Under these circumstances, Panasonic's results mirrored the year-on-year drop in the amount of market sales that in turn reflected the steady deterioration in prices and the strong yen. In fiscal 2013, the Company will focus on thoroughly reinforcing its structure and systems, enhancing efficiency, introducing high value-added models, and expanding sales in developing countries.

Turning to its digital interchangeable lens cameras, Panasonic took concrete steps to strengthen its product lineup as well as its sales systems and structure. This included the

Financial Highlights	Highlights	To Our Stakeholders	Performance Summary	Top Message	Segment Information	R&D	Design Development	Intellectual Property	Environmental Activities	Corporate Governance	Financial and Corporate Data
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LUMIX DMC-GX1, a Flat-Type Mirrorless Interchangeable Lens Camera



Distinguished by its compact, lightweight, and highly mobile properties. The outstanding responsiveness, high performance, and stunning design satisfy the advanced amateur.

release of LUMIX DMC-GX1, a mirrorless interchangeable lens camera. Unit sales increased 1.7 times compared with the previous year while sales on a value basis improved substantially year on year. In fiscal 2013, the Company will release products with improved basic functionality while endeavoring to strengthen the lens business. Moving forward, Panasonic will continue to expand its share of the mirrorless interchangeable lens camera market.

Boosting the Production Capacity of Notebook PCs

Results in the notebook PC market in fiscal 2012 were mixed. Despite little or no year-on-year change in value-basis sales, due primarily to the economic downturn in Europe and the U.S., the market witnessed dramatic growth in unit sales of tablet PCs and renewed activity through the release of an ultrathin notebook PC. Under these circumstances, and despite difficulties in procuring hard disks as a result of the flooding in Thailand, Panasonic reported record levels of production and a year-on-year increase in sales after successfully capturing business demand in Japan and overseas.

In its pursuit of increased mobility, the Company channeled its energies toward further bolstering its product lineup and enhancing functionality. With the growing use of IT applications in outdoor locations, Panasonic released the TOUGHBOOK CF-D1, a rugged tablet PC that offers outstanding outdoor visibility and a large LCD screen, in Europe in August 2011 and later in Japan in January 2012. This was followed by a succession of new products including a thin mobile 'Let'snote' model for the Japanese market in February 2012. Looking ahead to fiscal 2013, the Company will aim to expand its business by putting forward new application proposals on the back of increasingly robust tablet PCs and reinforcing its sales activities in emerging markets.

Boasting a Top Global Market Share in Aircraft In-Flight Entertainment Systems

Despite the prolonged slump in the global economy, passenger demand continued to

steadily recover and expand in fiscal 2012. Concerned with the impact of rising fuel prices on earnings, airline companies placed greater emphasis on fuel-efficient aircraft when renewing and upgrading their fleets. This in turn prompted an increase in demand for in-flight entertainment (IFE) systems.

Against this backdrop, Panasonic worked closely with aircraft seat manufacturers to develop newly designed seat-integrated monitors. This formed part of the Company's aims to release the new lighter-weight IFE system with monitors. Panasonic reported double-digit percentage growth in sales compared with the previous fiscal year retaining its top global market share. In fiscal 2013, the Company will successively launch a series of new IFE system products that address a variety of needs ranging from luxury to low-cost carriers. Commensurate with these activities, Panasonic will aim to meet wide-ranging requirements by providing a variety of maintenance and communication products and services including in-flight communication and Internet access to passengers.

Substantially Expanding the Company's Projector Lineup and Sales Network

Taking full advantage of SANYO's engineering assets, Panasonic took steps to substantially expand its product lineup in fiscal 2012. The Company now boasts the industry's market leading lineup of portable, short throw and high luminance projectors. At the same time, Panasonic extended its sales network to over 60 countries worldwide including SANYO's channels. Despite these measures, overall sales declined year on year as growth in professional-use high brightness as well as home cinema models was insufficient to offset cutbacks in education budgets and other factors which drove down sales for medium luminance projectors.

In fiscal 2013, steps will be taken to release new high luminance projector models, expand overseas service bases, and strengthen local support capabilities. These efforts are designed to generate growth that outstrips that of the industry.

The Tablet TOUGHBOOK CF-D1 PC Ideal for Use in Outdoor Locations



A rugged tablet PC for use in the most demanding of locations. Ideal for use outdoors, the TOUGHBOOK CF-D1 boasts dust- and drip-proof properties as well as an extended battery life of approximately 10.5 hours.

Seat-Integrated Monitors Jointly Developed with Seat Manufacturers



Panasonic is addressing wide-ranging in-aircraft needs by providing total solutions including the light-weight IFE system with newly developed seat-integrated monitors.

PT-DZ21K, a Projector that Delivers Outstanding Luminance and High Image Quality in a Compact Body

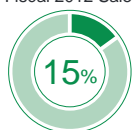


In addition to realizing super high brightness of 20,000 lumens, the PT-DZ21K delivers 3D-capability and high reliability through a four-lamp system as well as system and installation flexibility with diverse functions.

Appliances

Fiscal 2012 Results (Fiscal 2011 results are in brackets)

Percentage of
Fiscal 2012 Sales



Sales

¥1,534.2 billion
(¥1,482.9 billion)

Segment Profit

¥81.5 billion
(¥84.0 billion)

Profit/sales ratio 5.3%

Leveraging the latest environmental technologies, Panasonic delivers products and services that meet customer needs in the homemaking, cooking, beauty & grooming and health, cooling and heating, hot water supply, and cold chain equipment fields. Focusing on products that are attuned to the unique lifestyles of each region, the Company is accelerating its overseas business development.

Panasonic also engages in the development, manufacture, and sale of fuel cell cogeneration systems, car components and devices, and motors. Together with its BtoC activities, the Company is expanding into BtoB fields.

Household Appliances/ Refrigeration, Air Conditioning and Heating

Robust Sales in Developing Countries

In fiscal 2012, consumer sentiment in Japan stalled owing to factors such as the Great East Japan Earthquake. Thereafter, replacement demand exhibited signs of an upswing due to recovery and reconstruction efforts. Overseas, conditions were mixed. While demand in developed countries grew weak due largely to the financial crisis in Europe, the number of

purchasers in emerging countries increased on the back of economic growth.

Under these circumstances, sales of washing machines, refrigerators, and air conditioners were higher than the previous fiscal year in household appliances, refrigeration, air conditioning and heating businesses after excluding the impact of foreign currency exchange rates. Amid the sharp rise in raw material prices, Panasonic focused on cutting back its overhead expenses as well as fixed costs.

Strong Performance by ECONAVI Products

Panasonic continues to emphasize sales growth in ECO NAVI products, which automatically save electricity depending on the mode of use. Based on increased awareness toward saving electricity among consumers in Japan, sales of the Company's washing machines grew in fiscal 2012.

Overseas, Panasonic marketed high value-added products including air conditioners, refrigerators, and washing machines equipped with the ECO NAVI function focusing mainly on Asia and South America. The Company is successively releasing other products in other regions and is further expanding sales of ECO NAVI products.

Toward Overseas Business Growth

Panasonic is endeavoring to lift the ratio of overseas sales to total sales in its household appliances from the current level of 50% to 60% or more. To this end, the Company is engaging in product development based on local lifestyle research and targeting high volume segments. Panasonic also established the Global Marketing Planning Center in Shiga Prefecture in April 2011. By coordinating lifestyle research undertaken in each region to uncover trends in demand, the Company put in place a product planning process that is more attuned to local needs. In popularly priced products especially for emerging countries, Panasonic strengthened the Company's lineup including air conditioners with noise reduction and energy saving functions, and expanded sales channels in India. The Company also developed local models of refrigerators and washing machines, and increased overall sales in Brazil.

Moving forward, the Company will focus on strengthening local production in emerging markets. Specifically, Panasonic will commence production of air conditioners and washing machines in India in January 2013. In addition

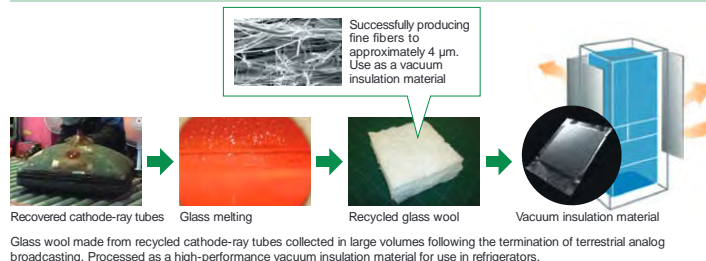
to expanding facilities at the Company's refrigerator plant in Vietnam, plans are in place to initiate operations at a new washing machine plant in April 2013. Building on the current manufacture of microwave ovens in Brazil, Panasonic will begin producing refrigerators and washing machines in August 2012 and May 2013, respectively. Strengthening internal production capabilities, Panasonic will utilize OEM outsourcing. In this manner, it will broaden its product lineup while tapping into emerging markets.

Promoting Recycling-Oriented Manufacturing as a Platform for the Manufacture of Eco-Conscious Products

Panasonic constructed a facility in Kusatsu City, Shiga Prefecture in Japan in fiscal 2012 for the specific purpose of engaging in recycling-oriented manufacturing using reworked materials. This facility manufactures glass wool from cathode-ray tube refuse for use as a vacuum insulation material in refrigerators.

Moreover, the Company was successful in developing a 3D in-mold decoration technology that enables the use of recycled plastic materials in cosmetic applications by coating them with

An Example of Recycling-Oriented Manufacturing — From Discarded CRT TVs to Vacuum Insulation Materials



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| ☐ Business at a Glance | ☒ Business Review and Strategies | ☐ Overseas Review by Region |

a layer of high extension film. Employing this technology, Panasonic commenced production of refrigerators, washing machines and clothes dryers, rice cookers, and vacuum cleaners with a high-grade external finish from spring 2012.

Expanding Lineups of Popular Series Products

Panasonic released several new products in its health and beauty range. Responding to a growing awareness toward hair and skin care, the Company introduced the Scalp Massager for household use and a new series in the ever popular Pocket Doltz ultrasonic-vibration toothbrush lineup. In further enhancing the enjoyment of dining in the home, Panasonic also introduced the three star bistro steam oven range. Maximizing the benefits of heat and steam, users can now prepare meals just like a master chef in a short period of time.

Furthermore, in its established petit series of products for use in condominiums, the Company launched a countertop model of Petit Dish Washer in February 2012 and a new model of Petit Drum, a washer/dryer with slanted drum in March 2012. Panasonic is endeavoring to expand its customer base through such products.

Petit Series of Popular Compact Size Products

Attuned to the lifestyles of single and married couple households, which continue to increase in Japan, Panasonic's Petit series Petit Drum and Petit Dish washer are enjoying immense popularity.



Excellent Results in Ene Farm Home Fuel Cell Cogeneration Systems

Panasonic launched a new model of its Ene Farm home fuel cell in April 2011.

This polymer electrolyte fuel cell offers the world's highest rated generation efficiency of 40%*1 (LHV*2) and the industry's smallest installation space*1. Acclaimed for its lower price compared with conventional models, sales have expanded dramatically.

*1 As of February 9, 2011. Source: Panasonic
*2 The acronym for Lower heating Value

Expanding BtoB Businesses

In its BtoB business, Panasonic reported year-on-year double-digit percentage growth in sales of car components and devices including car seat heaters and electric vehicle charging cables.

Under its new organizational structure, and with SANYO's BtoB products including large-sized air conditioning systems as well as cold chain equipment, the Company is revamping its production methods for air conditioning and refrigeration products. Panasonic is working to further enhance its competitive strength.

New Home Fuel Cell Ene Farm — Reducing Installation Space Requirements by Modifying the Fuel Cell Unit



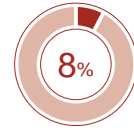
By modifying the dimensions of the fuel cell unit to a tall, thin shape, the unit can be installed connected to the hot water storage tank significantly reducing the space required for installation. The surface area required for installation has been reduced by up to 50% in comparison with conventional models.

Hot water unit (left)
Fuel cell unit (right)

Systems & Communications

Fiscal 2012 Results (Fiscal 2011 results are in brackets)

Percentage of
Fiscal 2012 Sales



Sales

¥840.8 billion
(¥938.1 billion)

Segment Profit

¥17.3 billion
(¥47.6 billion)

Profit/sales ratio **2.1%**

This segment is largely comprised of the system networks and mobile communications businesses.

In its system network activities, Panasonic is engaged in the worldwide delivery of advanced security and communication solution services. In its mobile communications business, the Company provides mobile phones incorporating cutting-edge functions, and communications infrastructure equipment.

System Networks

Growth in Network Cameras and Video Intercom Systems

Increasingly recognized as an effective disaster countermeasure, demand for cloud services grew steadily in Japan during fiscal 2012. In contrast, other developed countries and emerging regions cutback their investment activity due to factors such as the financial crisis in Europe.

Against this backdrop, Panasonic recorded year-on-year double-digit percentage sales growth in business-use network cameras and home video intercom systems, reflecting heightened awareness toward the need for increasing safety and

security. Overall system networks business sales, on the other hand, declined compared with the previous fiscal year, owing to the negative impact on compact MFPs caused by the sudden deterioration in market conditions in China and the downturn in demand for handy terminals as customers in Japan curtailed their investment activities following the earthquake disaster.

Bringing new products to market, Panasonic released the BizPad tablet terminal for business use in December 2011. Under the Company's new organizational structure, this model harnesses the combined R&D capabilities of the Panasonic System Networks Co., Ltd. and Panasonic Mobile Communications Co., Ltd. Designed for heavy duty use while offering extended operations at reduced cost, this product is receiving wide acclaim.

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Establishing Two New Sales Companies to Bolster Global Solutions Proposal Capabilities

Panasonic is strengthening its overseas solutions proposal capabilities in the system networks business.

The Systems & Communications Company established new sales companies in China and Singapore in fiscal 2012. Together with its existing network that encompasses Japan, the U.S., and Europe, Panasonic commenced operations at five prime locations worldwide.

Responding to Growth in the Integrated IP Solutions Market

In fiscal 2012, Panasonic commenced the cloud-based Mimasu Net PRO AV service that allows users to monitor still and moving images on network cameras from their PCs and

smartphones. The Company also introduced a paperless conferencing system using the aforementioned BizPad tablet terminal. This system allows participants to share the latest information on a real-time basis and to secure data from unforeseen contingencies.

In fiscal 2013, Panasonic will continue to strengthen the product competitiveness of its network camera, HD video communication, SIP telephone*¹ and related products in response to growth in the integrated IP solutions market. At the same time, the Company will aim to expand its solutions business, including both hard and soft applications, by further augmenting its cloud services.

*1 Telephones based around Session Initiation Protocol (SIP) technology that is widely used for controlling communications sessions and transmitting voice and video data over Internet Protocol (IP) networks.

Mobile Communications

Entering the Smartphone Market

Sales of smartphone units in Japan exceeded that of feature phones (conventional mobile phones), accounting for more than half of the total demand in fiscal 2012. At the same time, the market continued to polarize between large-screen, high performance smartphones and lower priced feature phones.

Under these circumstances, Panasonic commenced sales of smartphones in fiscal 2012. In the domestic market, the Company released eight models including My First Smartphone distinguished by its stylish design and easy-to-use large screen, in conjunction with NTT DOCOMO and Softbank Mobile. In terms of low-priced feature phones, the Company continued to enjoy strong sales of the simple and easy-to-use P-07B, which was released in the previous year.

Reflecting the drastic shift toward smartphones, the feature phone market has contracted substantially. As a result, overall sales in the mobile communications business were down year on year. Looking ahead, Panasonic will increasingly channel management resources into the smartphone field in an effort to expand its market share.

Supplying Remote Radio Equipment that Complies with LTE*²


In recent years, telecommunications carriers have upgraded and expanded their infrastructure equipment to accommodate the growing penetration of smartphones, the dramatic increase in communication data traffic, and the introduction of LTE services.

Against this backdrop, Panasonic entered the LTE base station business in earnest in fiscal 2012. In successfully delivering remote radio equipment*³ that accommodates both W-CDMA and LTE services, the Company has contributed significantly to NTT DOCOMO, INC.'s Xi (Crossy) high-speed communication service. On the overseas front, Panasonic has commenced the supply of remote radio equipment in the U.S. market through major mobile communication vendors.

*² The acronym for Long Term Evolution. A high-speed transmission service for mobile phones.

*³ Equipment that connects the digital processing component with the base transceiver station using optical fibers while converting signals and amplifying power.


BizPad Tablet Terminals Experiencing Increased Paperless Conferencing System and Related Use



7-inch LCD screen model 10.1-inch LCD screen model

The BizPad series of mobile terminals is distinguished by its shock resistant and large-screen lineup. Products include the 7-inch LCD screen model used primarily for field service operations and the 10.1-inch LCD screen model for in-store, reception, and marketing support operations. BizPad is also experiencing increased use in paperless conferencing systems and other cloud services.

Paperless conferencing system



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Eco Solutions

Fiscal 2012 Results (Fiscal 2011 results are in brackets)



Panasonic's Eco Solutions Company is comprised of four business groups. With lamps, devices, and equipment at its core, the lighting business engages in the development of products that conserve energy and contribute to comfortable and bright work spaces. The energy systems business is active in a wide range of fields from wiring equipment and distribution panelboards to energy management products. The housing systems business provides comprehensive home and building product, and material solutions. And, the environmental systems business delivers air quality appliances and solutions to promote a clean environment.

As a growth engine, the Eco Solutions Company links a robust lineup of products to provide comprehensive solutions.

Lighting

Growth in LED Lighting in Japan and in Ball-Type Fluorescent Lamps Overseas

Reflecting the growing emphasis on saving electric power after the Great East Japan Earthquake in Japan, traditional light sources were replaced with LED bulbs at a rapid pace in fiscal 2012. Against this backdrop, Panasonic upgraded and expanded its LED light bulb lineup while stepping up the joint development of LED lighting fixture products.

The Company acquired large-scale orders for its LED lighting fixtures. In addition to the construction of TOKYO SKYTREE®, Panasonic LED lighting fixtures were adopted by the Nakanoshima Festival Tower in Osaka. The Company has also gained success in lifting unit sales prices by enhancing functionality. This is evident in the security light Akaluma, which received the Energy Conservation Grand Prize for excellent energy conservation equipment, and in Panasonic's lineup of synchronized modulated LED lighting. As a result, the Company more than doubled its LED lighting sales compared with the previous

LED Lamp Clear Type have Received Numerous Awards



scal year. Overseas, Panasonic established sales channels in such prioritized markets as Asia and Latin America for its ball-type fluorescent lamps that offer outstanding energy savings. This was largely in response to the global trend away from incandescent lamps. Accounting for the aforementioned, the Company reported year-on-year double-digit percentage growth in sales. Sales of Panasonic's high efficiency fluorescent lamps progressed smoothly in China on the back of successful government tenders. The Company also commenced LED downlight sales. Turning to Europe and the U.S., Panasonic increased sales of LED modules to lighting fixture manufacturers.

However, lighting sales declined year on year due to the drop in demand for existing lighting products as well as fluorescent lamps. Looking ahead, Panasonic will develop high value-added products that harness the Company's LED and lighting technologies. At the same time, Panasonic will focus on reducing costs by standardizing components and devices for high-volume segment products and expanding product lineups.

Energy Systems

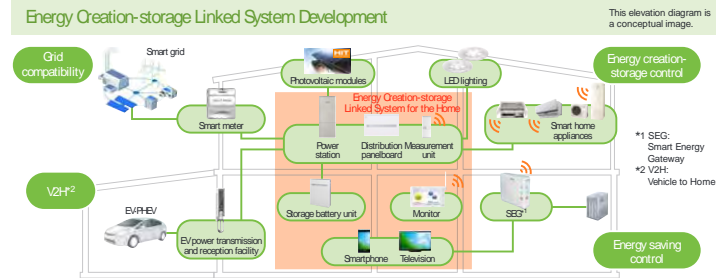
Robust Wiring Equipment and Circuit Breaker Sales in Emerging Regions

In fiscal 2012, the Company was successful in bolstering its sales and manufacturing capabilities

in India, China, and Indonesia, countries that continue to exhibit high rates of market expansion. As a result, Panasonic enjoyed double-digit percentage growth in sales of wiring equipment and circuit breakers compared with the previous fiscal year. The Company increased sales personnel in India. It also strengthened its sales agency network in China while bringing online a new wiring equipment plant in June 2011. Panasonic is pursuing speedy and cost-effective manufacturing through close collaboration with Japan. Moreover, the Company strengthened its sales capabilities in Jakarta and other urban areas of Indonesia. Moving forward, plans are also in place for operations to commence at a new wiring equipment plant in India in May 2012.

In Japan, Panasonic recorded a year-on-year double-digit percentage increase in sales of condominium intercom systems owing largely to growing renewal demand. The Company also reported an improvement in energy monitoring products on the back of a rise in awareness toward energy conservation. Spurred by the favorable conditions created by the government's subsidy program, sales of charging devices for electric vehicles jumped by around three times year on year. Marking another milestone in its energy systems business, Panasonic also began taking orders for its Energy Creation-storage Linked System for the Home, which integrates the Company's solar photovoltaic and storage battery systems and contributes to more efficient use of energy, from March 2012.

Energy Creation-storage Linked System Development



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While there was a drop in home re alarm systems as a round of renewal demand came to an end, overall energy systems business sales were basically unchanged year on year. In fiscal 2013, Panasonic will promote its energy management systems in earnest and look to expand its business globally.

Housing Systems

Promoting Structural Reform to Expand Earnings

In addition to withdrawing from unprofitable businesses and implementing such structural reforms as overseas operating site consolidation, Panasonic undertook the following initiatives in fiscal 2012 to expand earnings.

First, the Company released new popularly priced flooring material and modular kitchen system products. This was supported by the use of Panasonic's fully automatic self-cleaning A La Uno S toilet by major restaurant chains, which helped boost sales. In its comprehensive solutions endeavors, Panasonic put forward proposals that combine the Techno-Structure earthquake-proof construction method, which has a proven track record that spans approximately 4,000 structures in Japan, with eco solutions for the entire home. Moreover, in its condominium interior business in China, Panasonic undertook to promote comprehensive proposals from consulting through construction to after-sales service.

As a result, the Company secured housing systems business sales on a par with the level recorded in the previous fiscal year. Building on the structural reform measure implemented in fiscal 2012, Panasonic will push forward its comprehensive solutions to boost earnings in fiscal 2013.

Environmental Systems

Strong Sales of Energy Saving Ventilation Fans and Air Purifiers

In fiscal 2012, sales of DC motor ceiling mounted ventilation fans approximately tripled compared with the previous fiscal year in Japan. Results in bathroom heater / dryer / ventilation systems with a sauna-like mist function and energy saving dehumidifiers were also up by a significant margin year on year. Overseas, Panasonic recorded double-digit percentage growth in sales of ceiling mounted ventilation fans owing to favorable conditions in the North America apartment housing market. Results were also up in air purifiers and pumps in China and Indonesia, respectively.

On this basis, overall environmental systems business sales increased slightly year on year. With this as a base, Panasonic will focus on capturing orders for energy saving plant diagnoses in Japan while promoting entire plant energy saving solutions overseas.

Air Quality Visualization Model Home



With growing worldwide interest in measuring air quality in tightly sealed homes, Panasonic opened a model home that employs a wide variety of methods to visualize the quality of air. Utilizing the latest in indoor air quality devices, the Company is advancing proposals that promise healthy, comfortable, and energy efficient living environments.

Automotive Systems

Fiscal 2012 Results (Fiscal 2011 results are in brackets)



Panasonic operates in wide-ranging fields, from car navigation systems through camera systems that support safe driving to such key devices as engine control units and batteries for eco-cars.

Amid growing interest in more comfortable, more environmentally-conscious, and safer vehicles, the Company is engaging in the development of new products and putting forward proposals while contributing to the creation of a new motoring society through electronics.

Automotive Electronics

Strong Performance by Devices for Eco Cars

Despite the negative impacts on production of the Great East Japan Earthquake and the flooding in Thailand, new car sales in Japan registered a substantial recovery in the second half of fiscal 2012. This contributed to a return to growth for the first time in two years. Overseas, new car sales declined across developed countries with the exception of North America. Rates of growth in emerging countries such as China, Brazil, and India also slowed despite continuing

economic growth in those countries. In overall terms, however, global trends were generally firm.

Under these circumstances, the Company's products for eco cars performed well. As a result, overall sales in automotive electronics were up year on year.

In addition, Panasonic received numerous awards from domestic and overseas automobile manufacturers in recognition of the Company's contributions to addressing automobile quality issues and its efforts in the field of eco-car technology development.

Robust Sales of Batteries and Other Devices for Eco Cars in Japan

In fiscal 2012, sales of batteries, especially film type capacitors that ensure the stable supply of power to drive motors, as well as related components and devices were strong. This was largely attributable to the increase in hybrid vehicle production.

In addition, SANYO's hit Gorilla car navigation system was re-released under the Panasonic brand in June 2011. With the addition of Gorilla to its car navigation system, Strada series^{*1}, the Company significantly increased unit sales and

EXHIBIT U

Annual Report **2013**

Panasonic Corporation

For the year ended March 31, 2013



Panasonic

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Editorial Policy

This Annual Report contains wide-ranging information including details of Panasonic's business strategies and financial position that assist mainly individual and institutional investors in making investment decisions. In this Report, particular emphasis was placed on the following points.

1. The Panasonic Group's New Midterm Management Plan Explaining "Cross-Value Innovation 2015"

Kazuhiro Tsuga, who was appointed as Panasonic's president in June 2012, explains Panasonic's vision for the future, strategies for recovery and so forth.

 [Please refer to President's Message](#)

2. Explaining the Business Strategies of 4 Divisional Companies

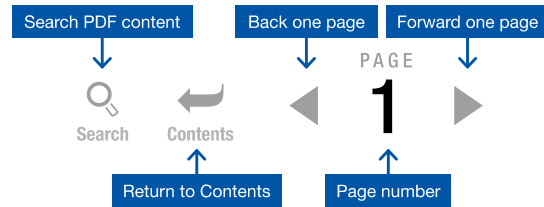
We explain the business strategies of the 4 Divisional Companies newly established with the shift to a new management structure in April 2013.

 [Please refer to Overview of 4 Divisional Companies](#)

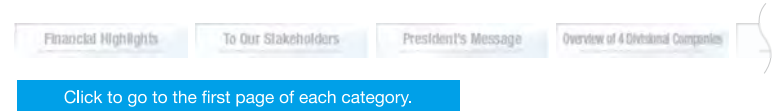
Certain References and Information

In this document, "fiscal 2013" refers to the year ended March 31, 2013. All information contained in this report is as of March 31, 2013 or for fiscal 2013, unless otherwise indicated. "The Company" is used to indicate Panasonic Corporation and its subsidiaries, unless otherwise indicated. "4 Divisional Companies" or "Divisional Companies" are used to indicate the four companies newly established on April 1, 2013: the Appliances Company, Eco Solutions Company, AVC Networks Company and Automotive & Industrial Systems Company.

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Panasonic will pursue a better life and a better world for each and every customer.

Panasonic will execute its "Cross-Value Innovation 2015" new midterm management plan with unflinching resolve.

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Disclaimer Regarding Forward-Looking Statements

This Annual Report includes forward-looking statements (within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934) about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this Annual Report do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic undertakes no obligation to publicly update any forward-looking statements after the date of this Annual Report. Investors are advised to consult any further disclosures by Panasonic in its subsequent filings under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the United States, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; currency rate fluctuations, notably between the yen, the U.S. dollar, the euro, the Chinese yuan, Asian currencies and other currencies in which the Panasonic Group operates businesses, or in which assets and liabilities of the Panasonic Group are denominated; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the ability of the Panasonic Group to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results on the alliances or mergers and acquisitions including the business reorganization after the acquisition of all shares of Panasonic Electric Works Co., Ltd. and SANYO Electric Co., Ltd.; the ability of the Panasonic Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Panasonic Group to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; fluctuations in market prices of securities and other assets in which the Panasonic Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, deferred tax assets and uncertain tax positions; future changes or revisions to accounting policies or accounting rules; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world, disruption of supply chain and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in the most recent English version of Panasonic's securities reports under the FIEA and any other documents which are disclosed on its website.

Note: Risk Factors

Please refer to the Company's [PDF Annual Securities Report \(Yukashoken Hokokusho\)](#) for details regarding business and other risks.

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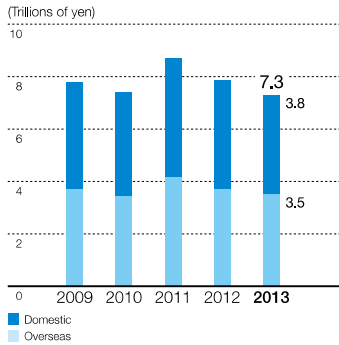
>> Major Financial Indicators (Graphs)

>> Major Financial Indicators (Tables)

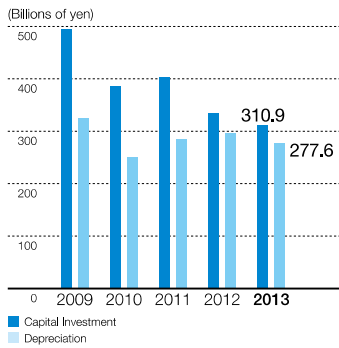
Major Financial Indicators (Graphs)

Panasonic Corporation and Subsidiaries
Years ended March 31

Net Sales

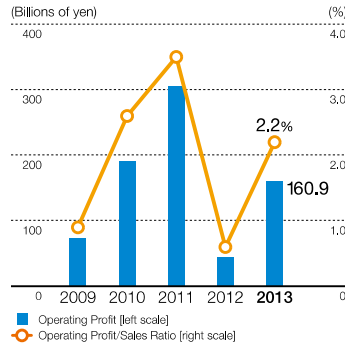


Capital Investment and Depreciation (Tangibles)*

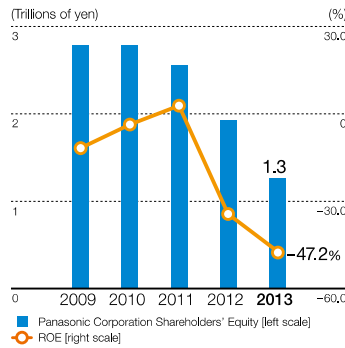


* Please refer to Note 5 on page 4.

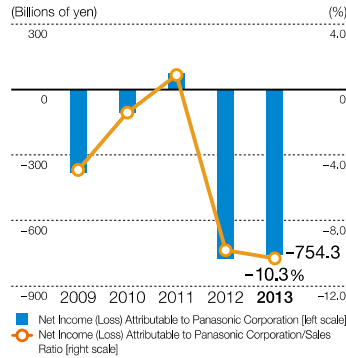
Operating Profit and Ratio to Sales



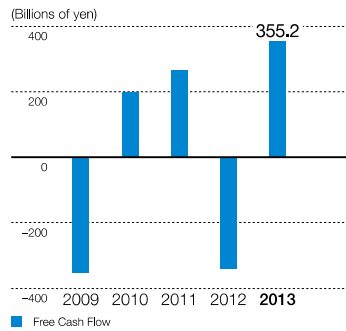
Panasonic Corporation Shareholders' Equity and ROE



Net Income (Loss) Attributable to Panasonic Corporation and Ratio to Sales



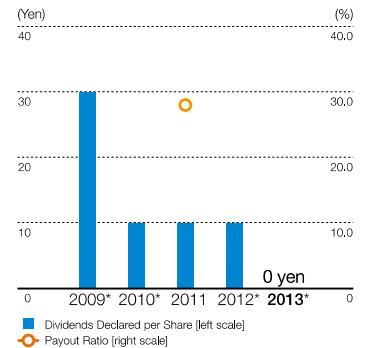
Free Cash Flow



R&D Expenditures and Ratio to Sales



Dividends Declared per Share and Payout Ratio



* Please refer to Note 6 on page 4.

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Major Financial Indicators (Tables)

Panasonic Corporation and Subsidiaries
Years ended March 31
 Download DATA BOOK
(10-Year Summary)

	2009	2010	2011	2012	2013
For the year (Millions of yen)					
Net sales	7,765,507	7,417,980	8,692,672	7,846,216	7,303,045
Operating profit	72,873	190,453	305,254	43,725	160,936
Income (loss) before income taxes	(382,634)	(29,315)	178,807	(812,844)	(398,386)
Net income (loss) attributable to Panasonic Corporation	(378,961)	(103,465)	74,017	(772,172)	(754,250)
Capital investment*	494,368	385,489	403,778	333,695	310,866
Depreciation*	325,835	251,839	284,244	295,808	277,582
R&D expenditures	517,913	476,903	527,798	520,217	502,223
Free cash flow	(352,830)	198,674	266,250	(339,893)	355,156
* Excluding intangibles					
At year-end (Millions of yen)					
Long-term debt	651,310	1,028,928	1,162,287	941,768	663,091
Total assets	6,403,316	8,358,057	7,822,870	6,601,055	5,397,812
Panasonic Corporation shareholders' equity	2,783,980	2,792,488	2,558,992	1,929,786	1,264,032
Total equity	3,212,581	3,679,773	2,946,335	1,977,566	1,304,273
Number of shares issued at year-end (thousands)	2,453,053	2,453,053	2,453,053	2,453,053	2,453,053
Number of shareholders (persons)	277,710	316,182	364,618	557,102	577,756
Number of consolidated companies (including parent company)	540	680	634	579	538
Number of associated companies under the equity method	182	232	114	103	95

	2009	2010	2011	2012	2013
Per share data (Yen)					
Net income (loss) attributable to Panasonic Corporation per common share:					
Basic	(182.25)	(49.97)	35.75	(333.96)	(326.28)
Diluted	(182.25)	—	—	—	—
Dividends declared per share	30.00	10.00	10.00	10.00	0
Panasonic Corporation shareholders' equity per share	1,344.50	1,348.63	1,236.05	834.79	546.81
Ratios (%)					
Operating profit/sales	0.9	2.6	3.5	0.6	2.2
Income (loss) before income taxes/sales	(4.9)	(0.4)	2.1	(10.4)	(5.5)
Net income (loss) attributable to Panasonic Corporation/sales	(4.9)	(1.4)	0.9	(9.8)	(10.3)
ROE	(11.8)	(3.7)	2.8	(34.4)	(47.2)
Panasonic Corporation shareholders' equity/total assets	43.5	33.4	32.7	29.2	23.4
Payout ratio	—	—	28.0	—	—

Notes: 1. The Company's consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

2. Dividends per share reflect those declared by the Company in each fiscal year and consist of interim dividends paid during the fiscal year and year-end dividends paid after the fiscal year-end.

3. In order to be consistent with generally accepted financial reporting practices in Japan, operating profit, a non-GAAP measure, is presented as net sales less cost of sales and selling, general and administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies. See [the Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income \(Loss\) on page 29](#).

4. Diluted net income (loss) attributable to Panasonic Corporation per common share after fiscal 2010 have been omitted because the Company did not have potential common shares that were outstanding for the period.

5. Effective from the fiscal year ended March 31, 2013, the Company has decided to include investments in molds in capital investment and mold depreciation expenses in depreciation. Capital investment and Depreciation figures for the year ended March 31, 2012 have been restated as a result of this change.

6. Payout ratios have not been presented for those fiscal years in which the Company incurred a net loss attributable to Panasonic Corporation.

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To Our Stakeholders



To Our Stakeholders

The Panasonic Group recorded a large consolidated net loss for the second consecutive year in fiscal 2013, the year ended March 31, 2013. This was mainly the result of incurring business restructuring expenses and increasing the valuation allowances for deferred tax assets. We apologize for any concern caused.

We have acted to extricate ourselves from this situation as soon as possible. With the aim of achieving a recovery, we launched "Cross-Value Innovation 2015," a new 3-year mid-term management plan, at the beginning of fiscal 2014. Also, in April 2013 we decided to build a customer-facing framework as one group, by positioning business divisions as the basic management unit and establishing 4 Divisional Companies as a new basic Group structure to support them.

At a Board of Directors' meeting of the Company after the Company's Ordinary General Meeting of Shareholders in June 2013, Shusaku Nagae was appointed as Chairman. Under the new management team, Panasonic will speed up reforms with the aim of turning around its business results at the earliest possible stage and rebuilding its business competitiveness for the future.

We kindly ask for the continued support and understanding of all stakeholders.

July 2013

Shusaku Nagae
Chairman (Left)

Kazuhiro Tsuga
President (Right)

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Panasonic will pursue a better life and a better world for each and every customer.

For Panasonic, its most important theme today is to become a company that can generate products and services with true value for customers by addressing the structural issues facing the Group.

Since its founding, Panasonic has engaged in wide-ranging business activities guided by its basic management philosophy, which states that the mission of an enterprise is to contribute to the progress and development of society and the well-being of people world-wide through business. Going forward, the well-being of people will continue to be our central and basic focus as we work on creating better lives. Beyond offering individual hardware products, we will provide total solutions, extending to software and services, for the various spaces where our customers are active. In doing so, we will strive to contribute to a better life and a better world for each and every customer.

For this, we believe it is imperative to create new, unseen value. We will create this value with what we call "Cross-Value Innovation." Essentially, this entails combining our various strengths cultivated in consumer electronics with the strengths of business partners well-versed in various spaces. We believe that by repeatedly creating value with partners in this way we will make a strong comeback as a unique company the likes of which the world has never seen.

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FY2013 Performance Summary

We recorded a large net loss due to business restructuring expenses and other factors, despite seeing a major improvement in operating profit year on year. ”

Fiscal 2013 was another tough year for the electronics industry, as highlighted by sluggish flat-panel TV demand, especially in Japan. That is despite finally seeing some brighter signs in the operating environment for Japanese companies toward the end of the fiscal year, with the excessively strong yen sliding against the U.S. dollar and euro.

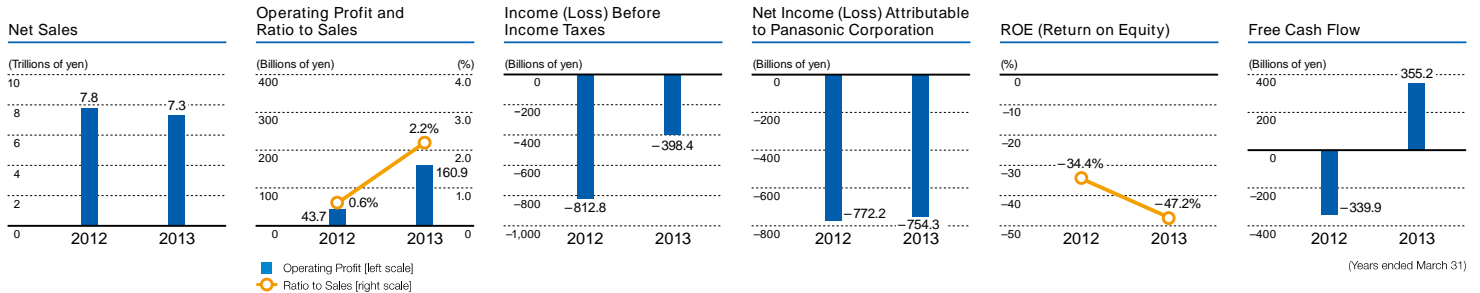
Under this environment, the Company worked to instill a sense of crisis across the Panasonic Group under a new management structure. Group-wide efforts were made to transform the Group into an enterprise that can generate even more value for customers. These efforts included reforming Head Office functions and decision-making processes, providing countermeasures for underperforming businesses and introducing BU (business unit) based management.

Even so, consolidated Group sales for fiscal 2013 decreased by 7% to 7,303.0 billion yen. Although car AV systems, automotive batteries and other automobile-related products sold strongly, Panasonic saw sales fall overall for the second year running, reflecting the large impact of lackluster sales of digital consumer-related products*, such as flat-panel TVs, BD recorders and digital cameras.

In terms of earnings, operating profit was 160.9 billion yen, as it increased by 268% from the previous fiscal year. However, the Company reported a pre-tax loss of 398.4 billion yen having incurred business restructuring expenses of 508.8 billion yen such as impairment losses on goodwill and intangible assets related to the solar, consumer-use lithium-ion battery and mobile phone businesses; in fiscal 2012, the Company reported a pre-tax loss of 812.8 billion

yen. The Company increased the valuation allowances for deferred tax assets and incurred provision for income taxes of 412.5 billion yen in accordance with U.S. GAAP. As a result, the Company reported a net loss attributable to Panasonic Corporation of 754.3 billion yen, compared with a loss of 772.2 billion yen net loss in fiscal 2012. ROE was thus negative 47.2%, compared with negative 34.4% in the previous fiscal year. On the other hand, free cash flow was 355.2 billion yen, compared with negative 339.9 billion yen a year earlier, mainly reflecting the disposal of investments and assets, and the securitization of assets.

* Digital products for consumers as well as devices and production facilities used for these products.



Midterm Management Plan "Cross-Value Innovation 2015"

Please refer to the "FY2014-16 New Midterm Management Plan FY2014 Business Policy" announced on March 28, 2013

Group Financial Targets

Under these circumstances, we have embarked on "Cross-Value Innovation 2015" (CV2015) a new three-year midterm management plan covering the period from fiscal 2014 to fiscal 2016. CV2015 has two main targets—(1) to immediately eliminate unprofitable businesses, and (2) to simultaneously provide a new corporate direction looking forward to the future. We are determined to achieve these two targets.

In April 2013, we reorganized the structure to enhance individual business. This entailed progressively dispensing with our previous 9 business domains, and reclassifying the 88 business units (BUs) under the old domains into 49 business divisions as the "core of business." Now positioned as the basic management unit, these business divisions will be responsible for R&D, production and sales globally, as well as for continuously increasing cash and profit through business management. In tandem with the introduction of this business division-centric framework, we established 4 Divisional

Companies: Appliances (AP), Eco Solutions (ES), AVC Networks (AVC), and Automotive & Industrial Systems (AIS). Each of these Divisional Companies will undertake measures that would be difficult for business divisions to handle on a stand-alone basis. These include major business development, creating new business and strengthening key devices. These companies will also support the development of business divisions.

We have set CV2015 financial targets under this business division-centered new basic Group structure. For fiscal 2014, we aim to generate net income attributable to Panasonic Corporation of at least 50.0 billion yen, and free cash flow (FCF) of at least 200.0 billion yen. Meanwhile, for fiscal 2016, our targets are operating profit of at least 350.0 billion yen, an operating profit ratio of at least 5%, and 3-year cumulative FCF of at least 600.0 billion yen.

Financial Targets			
FY2014	Net income*	≥	50 bil. yen
	Free cash flow	≥	200 bil. yen
FY2016	Operating profit	≥	350 bil. yen
	Operating profit ratio	≥	5%
	Free cash flow	≥	600 bil. yen (cumulative total in FY2014-2016)

* Net income attributable to Panasonic Corporation.



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Towards FY2016 Roadmap

Our roadmap for the next three years under CV2015 is set forth below. Firstly, we aim to generate net income attributable to Panasonic Corporation of at least 50.0 billion yen in fiscal 2014. Then over the course of the 2-year period through fiscal 2015, we will complete large-scale business restructuring, including turning around unprofitable businesses. Finally, in fiscal 2016, we aim to be a company that can generate operating profit of at least 350.0 billion yen, with each business division targeting an operating profit ratio of at least 5% over the next 3 years.

We calculated this operating profit target of at least 350.0 billion yen for fiscal 2016, based on operating profit of 160.9 billion yen in fiscal 2013 and factoring in the benefits we expect to derive from initiatives we will execute over the next three years.

There are three main points for increasing operating profit:

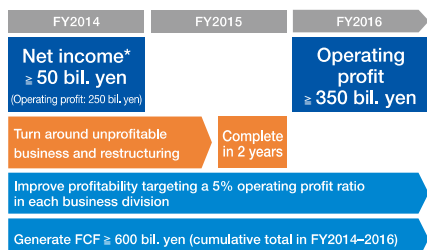
First is 130.0 billion yen from turning around unprofitable businesses (please refer to main action 1 outlined on page 11). We expect to incur approximately 250.0 billion yen in restructuring expenses through fiscal 2015 for turning around such unprofitable businesses as the TV business.

Second is improving profits in each business division to an operating profit ratio of at least 5%. This should boost overall operating profit by 140.0 billion yen.

Third is to streamline and implement system reforms not incorporated in business division plans. These actions are expected to boost operating profit by 70.0 billion yen.

Taking business risks into account, we aim to achieve 350.0 billion yen or more of operating profit in fiscal 2016.

Towards FY2016



* Net income attributable to Panasonic Corporation.

Toward Achieving Operating Profit of 350.0 Billion Yen (FY2016)

(Bil. yen)

